

detrimental to the great fruit industry that immediate relief from this arbitrary and bureaucratic regulation and standard must be granted or the apple industry of the Northwest as an individual industry will cease to exist; to the Committee on Agriculture.

3811. By Mr. QUINN: Resolution of the Straight Forward Lodge, Brackenridge, Pa., favoring Federal antilynching laws; to the Committee on the Judiciary.

3812. Also, resolution of the Straight Forward Lodge, Brackenridge, Pa., urging that the Federal Government abolish the dole of direct relief and substitute a program of work; to the Committee on Appropriations.

3813. Also, resolution of the Straight Forward Lodge, Brackenridge, Pa., protesting against the interpretation of the National Labor Relations Act which has been made by the Labor Board; to the Committee on Labor.

3814. Also, resolution protesting against the action of capital in certain industries; to the Committee on the Judiciary.

3815. By Mr. WOLCOTT: Petition of Capt. Daniel Murphy, of Marine City, Mich., and other duly licensed masters and pilots of the Great Lakes, requesting that the existing Great Lakes rules for the prevention of collisions be retained; and to this end that Senate bill 1273 be amended accordingly; to the Committee on Merchant Marine and Fisheries.

3816. By the SPEAKER: Petition of the Pennsylvania Society of Professional Engineers, Philadelphia, with reference to Hayden-Cartwright Road Act of 1936; to the Committee on Roads.

3817. Also, petition of the American Legion, Kings County, Brooklyn, N. Y., petitioning consideration of their resolution with reference to United States congressional medal for Albert Moritz; to the Committee on Naval Affairs.

3818. Also, petition of the county commissioners' office, Manchester, N. H., with reference to House bill 4199; to the Committee on Ways and Means.

## SENATE

TUESDAY, JANUARY 18, 1938

(Legislative day of Wednesday, January 5, 1938)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

### THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, January 17, 1938, was dispensed with, and the Journal was approved.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 2550. An act to permit the printing of black-and-white illustrations of United States and foreign postage stamps for philatelic purposes; and

S. 2940. An act to make confidential certain information furnished to the Bureau of Foreign and Domestic Commerce, and for other purposes.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 1547. An act to amend section 42 of the act of Congress entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended;

H. R. 3418. An act to extend the public-land laws of the United States to certain lands, consisting of islands, situated in the Red River in Oklahoma;

H. R. 4732. An act to revise the air-mail laws;

H. R. 6178. An act to abolish appeals in habeas corpus proceedings brought to test the validity of orders of removal;

H. R. 6907. An act to provide for the appointment of one additional circuit judge for the sixth judicial circuit;

H. R. 7259. An act to authorize the conveyance by the United States to the city of Ketchikan, Alaska, of a certain tract of land in the town site of Ketchikan;

H. R. 7553. An act to amend the laws of Alaska imposing taxes for carrying on business and trade;

H. R. 7560. An act to authorize alterations and repairs to certain naval vessels, and for other purposes;

H. R. 7567. An act to authorize the Secretary of the Interior to permit the payment of the costs of repairs, resurfacing, improvement, and enlargement of the Arrowrock Dam in 20 annual installments, and for other purposes;

H. R. 7778. An act to amend section 26, title I, chapter 1, of the act entitled "An act making further provision for a civil government for Alaska, and for other purposes," approved June 6, 1900;

H. R. 7825. An act to authorize the use of certain facilities of national parks and national monuments for elementary-school purposes;

H. R. 7826. An act to make available for national-park purposes certain lands within the boundaries of the proposed Isle Royale National Park, and for other purposes;

H. R. 7827. An act to authorize public-utility districts in the Territory of Alaska to incur bonded indebtedness, and for other purposes;

H. R. 8403. An act to ratify and confirm Act 23 of the Session Laws of Hawaii, 1937, extending the time within which revenue bonds may be issued and delivered under Act 174 of the Session Laws of Hawaii, 1935;

H. R. 8404. An act to authorize the Territory of Hawaii to convey the present Maalaea Airport, on the island of Maui, Territory of Hawaii, to the Hawaiian Commercial & Sugar Co., Ltd., in part payment for 300.71 acres of land at Pulehu-Nui, island of Maui, Territory of Hawaii, to be used as a site for a new airport;

H. R. 8409. An act authorizing the State Highway Departments of North Dakota and Minnesota and the Boards of County Commissioners of Traill County, N. Dak., and Norman County, Minn., to construct, maintain, and operate a free highway bridge across the Red River of the North, between Caledonia, N. Dak., and Shelly, Minn.; and

H. R. 8623. An act authorizing the State Highway Departments of North Dakota and Minnesota and the Boards of County Commissioners of Traill County, N. Dak., and Polk County, Minn., to construct, maintain, and operate a free highway bridge across the Red River of the North westerly of Nielsville, Minn.

### CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Hitchcock	O'Mahoney
Andrews	Connally	Holt	Overton
Ashurst	Copeland	Johnson, Calif.	Pepper
Austin	Davis	King	Pittman
Bailey	Dieterich	La Follette	Pope
Bankhead	Donahay	Lewis	Reynolds
Barkley	Ellender	Lodge	Russell
Berry	Frazier	Logan	Schwartz
Bilbo	George	Lundeen	Schwellenbach
Bone	Gibson	McAdoo	Sheppard
Borah	Gillette	McCarran	Shipstead
Bridges	Glass	McGill	Smith
Brown, Mich.	Guffey	McKellar	Stetwer
Brown, N. H.	Hale	McNary	Thomas, Okla.
Bulkeley	Harrison	Maloney	Thomas, Utah
Bulow	Hatch	Minton	Tydings
Capper	Hayden	Neely	Vandenberg
Caraway	Herring	Norris	Van Nuys
Chavez	Hill	Nye	Walsh

Mr. MINTON. I announce that the Senator from Rhode Island [Mr. GREEN] and the Senator from Delaware [Mr. HUGHES] are absent from the Senate because of illness.

The Senator from Rhode Island [Mr. GERRY] and the Senator from New York [Mr. WAGNER] are absent because of colds.

The Senator from Virginia [Mr. BYRD], the Senator from Oklahoma [Mr. LEE], the Senator from Maryland [Mr. RADCLIFFE], and the Senator from Montana [Mr. WHEELER] are detained on important public business.

The Senator from Nebraska [Mr. BURKE], the Senator from South Carolina [Mr. BYRNES], the Senator from Wisconsin [Mr. DUFFY], the Senator from Colorado [Mr. JOHNSON], the Senator from Connecticut [Mr. LONERGAN], the Senator from Montana [Mr. MURRAY], the Senator from New Jersey [Mr. SMATHERS], and the Senator from Missouri [Mr. TRUMAN] are absent, attending the inauguration of Governor Moore.

The Senator from Arkansas [Mr. MILLER] is absent, attending a meeting of the project committee of the Rivers and Harbors Congress.

Mr. AUSTIN. I announce that the Senator from Delaware [Mr. TOWNSEND] is necessarily detained from the Senate.

The VICE PRESIDENT. Seventy-six Senators have answered to their names. A quorum is present.

#### ACCEPTANCE OF DECORATION BY CAPT. WILLIAM BOWIE

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation authorizing William Bowie, captain (retired), United States Coast and Geodetic Survey, Department of Commerce, to accept and wear the decoration of the Order of Orange Nassau, bestowed by the Government of the Netherlands, which, with the accompanying paper, was referred to the Committee on Foreign Relations.

#### PETITIONS

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of the State of Mississippi, which was ordered to lie on the table:

##### Senate Concurrent Resolution 6

Whereas there is much dissatisfaction throughout the South with the cotton provisions of the pending agricultural bill in the Congress of the United States; and

Whereas the Association of Southern State Agricultural Commissioners did, in a session held in Jackson on Wednesday, January 12, 1938, unanimously agree to ask the conference committee on the agricultural bill pending in Washington to grant to the cotton producers of the South compensatory tariff payments on 13,000,000 bales of cotton in 1938 in addition to the existing soil-conservation provisions of said bill, and did make an appointment to meet in Washington on Monday, January 17: Therefore be it

*Resolved by the senate (the house of representatives concurring therein), That the Honorable J. C. Holton, commissioner of agriculture of the State of Mississippi, be requested to attend said conference as a representative of the State.*

*Resolved further, That a copy of this resolution be immediately delivered to the commissioner of agriculture.*

The VICE PRESIDENT also laid before the Senate a resolution adopted by Colonel Crawford Camp, No. 105, United Spanish War Veterans, at Connellsville, Pa., favoring the prompt enactment of legislation for the relief of Spanish-American War veterans who served in the Philippine Islands (1899) for an additional 6 months after the expiration of their enlistments, which was referred to the Committee on Claims.

#### ADMINISTRATION OF RECIPROCAL TRADE AGREEMENTS PROGRAM

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the RECORD, and referred to the Committee on Finance, a letter addressed to me by Mr. F. X. A. Eble, managing director, Made in America Club, of January 8, together with my reply to him of January 10, and his response to me January 11, relating to the administration of our reciprocal trade agreements program.

There being no objection, the correspondence presented by Mr. DAVIS was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

MADE IN AMERICA CLUB, INC.,  
New York, N. Y., January 8, 1938.

The Honorable JAMES J. DAVIS,

Senate Office Building, Washington, D. C.

MY DEAR SENATOR: I have your letter of the 7th, and note what you say about having so many applications for appearances before

the committee that you have found it necessary to ask those making such requests to file a statement.

Having myself been clerk of the Finance Committee of the Senate, and knowing how much value various Senators and their clerks attach to such briefs—they rarely ever read them—I cannot arouse sufficient enthusiasm to sit down and write one myself.

Senator, you know as well as I do that every time Congress took up the question of tariff during the past 50 years, there was always "hell a-popping" in business. Now you have permitted the State Department to monkey with the tariff for nearly 3 years, and the advance information this Department has released on the proposed treaties with Czechoslovakia and England contains sufficient threats to the rank and file of American business to put every one of the 150,000 small American manufacturers in the cellar of despair.

I said "rank and file" and "small American manufacturers." Yes, there are about 150,000 of them, employing less than 500 workers, and they have but one market in which to sell their wares and that is the American market.

Examine the list of items to be traded in on the Czech treaty. Look over the big list of wares to be juggled within the treaty with Great Britain, and ask yourself "How would I feel if I knew that my business was to be sacrificed on the 'altar of reciprocity'?" When Congress handled the question of tariff, these small manufacturers had some opportunity of being heard, but now everything is left to the State Department, where a few men are permitted to use the making of these treaties as nothing but a subterfuge to break down our entire protective tariff system under the guise of reciprocity.

There was never a greater humbug perpetrated on the American farmer, and the American workman in our entire history.

With all good wishes, I am,  
Sincerely yours,

F. X. A. EBLE,  
Managing Director, Made In America Club, Inc.

JANUARY 10, 1938.

Mr. F. X. A. EBLE,

Managing Director, Made in America Club, Inc.,  
420 Lexington Avenue, New York City.

DEAR MR. EBLE: I have your letter of January 8 in which you say, "You have permitted the State Department to monkey with the tariff for nearly 3 years, and the advance information this Department has released on the proposed treaties with Czechoslovakia and England contains sufficient threats to the rank and file of American business to put every one of the 150,000 small American manufacturers in the cellar of despair."

Permit me to correct the impression that you may have concerning my attitude on the way in which the State Department has handled these reciprocal-trade agreements. What has been done has not been done with my permission. I have protested these invasions of our American markets by low-wage foreign labor every step of the way. I believe in foreign trade. I believe in the principle of trade reciprocity. But I have never favored giving our markets to anyone who seeks to break down our American standards of work and wages by offering goods which compete with our own unfairly.

When the Reciprocal Tariff Agreements Act was up in May 1934, I said on the floor of the Senate, "Our desire to be neighborly with all the nations of the world must continue in the future as it has persisted in the past. The United States has always used its power in a practical way to be helpful to all the people of the world. We cannot do so by encouraging legislation which will do much to undermine the living conditions of our own people. One of the greatest contributions which the United States has made to all the world is our example of high wages, improved working conditions, and standards of living, which example has set the pace for working people everywhere. To lower our living standards will not aid the working people of the countries which compete with us, but rather they will be further crowded down on the economic scale."

I have long believed that it would be much better for us to maintain the competitive American markets for our own products and thus suggest to foreign competitors that they increase the wages of foreign workmen to a parity with our own. This will result in a world-wide improvement of living standards and an increase of purchasing power throughout the world.

I question the constitutional basis of the reciprocal-trade agreements as they have been operated the last 3 years. These trade agreements are, in effect, treaties. As such they should be ratified by the Senate before they become effective. I am not opposed to increasing our trade with Great Britain if it can be done so as to bring our people an advantage but the proposed trade agreement is as important as any treaty we might make with Britain. As such it should not become effective until ratified by the Senate.

Under the procedure now followed, announcement is given of intention to negotiate an agreement or a treaty. Thereafter announcement is made of hearings to be held before an executive committee in the Department of State. The action upon those hearings is conducted in executive session, without the knowledge of the public, those who presented their cases at hearings, and the Members of the Senate. These "star chamber" proceedings are not American.

With steel operating at less than 30 percent capacity in Pennsylvania and with the coal mines closed down and miners crowded



on relief rolls, our country has no business importing steel and coal as we have been doing in recent years.

I hope I have made clear to you that although I believe in foreign trade, I do not tamely submit to the injustices now being practiced on American workers under the present administration of our tariff laws.

Most cordially yours,

JAMES J. DAVIS.

MADE IN AMERICA CLUB, INC.,  
New York, N. Y., January 11, 1938.

The Honorable JAMES J. DAVIS,  
Senate Office Building, Washington, D. C.

DEAR SENATOR DAVIS: I am sorry that my letter of the 8th gave you the impression that my statement in the third paragraph in which I used the personal pronoun "you" (whereas I meant the whole Congress) referred to you personally.

I want to assure you from the bottom of my heart that such was not the case. I hope you will forgive me for being so careless in the use of my language in that letter, because I want you to know that I have the greatest respect for your judgment on all matters pertaining to the interest and welfare of the workingman, the farmer, and the employer. I know that you always act in the interest of the Nation as a whole.

I am glad to hear you say that you are in favor of an expansion of our foreign trade. The several hundred members of the Made in America Club, representing 65 industries, have no desire to limit the expansion of our foreign trade as long as this expansion is carried on in an orderly manner without injury to the farmer, the workingman, or any American industry.

I am quite certain that you are as familiar as I am with the number of man-hours of labor represented in our major items of export. It is distressingly low; and the annual earnings of the cotton sharecroppers is a disgrace to the economic condition of the South.

On the other hand, nearly all of the foreign manufactured items that compete with and displace the things we make and produce in our own country contain a very high percentage and ratio of man-hours of labor in the production of these imports, both abroad and in the United States, and that is the great menace to the Nation's buying power.

These are some of the points that I had hoped to have the privilege of bringing to the attention of the Employment Committee of the Senate, which is now holding its sessions. Of all the witnesses that have been called so far not one has given your committee a constructive suggestion as to how to cure and prevent unemployment in America.

Lord Beaverbrook, an Englishman, in an address at Miami the other day, told us how they did it in England.

With my warmest personal regards, I am,

Most cordially yours,

F. X. A. EBEL,  
Managing Director, Made in America Club, Inc.

P. S.—Enclosed you will find a copy of Lord Beaverbrook's statement.—F. X. A. E.

#### PROGRAM OF COMANCHE COUNTY (KANS.) FARM BUREAU

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD the resolutions adopted by the Comanche County Farm Bureau at Coldwater, Kans., at the annual meeting of the county bureau.

Others and myself at various times have placed in the RECORD the resolutions adopted and programs approved by State and national farm organizations and groups. Such resolutions generally are accepted as the work of farm leaders. The resolutions I am asking consent to have printed in the RECORD, however, may be designated as "grass roots" resolutions. These resolutions were approved by farmers themselves, not by representatives of farmers nor by so-called farm leaders. For that reason I believe it may be of interest to my colleagues to read what farmers who farm are thinking these days.

Naturally these resolutions deal with local matters to a greater extent than the resolutions adopted at State and regional and national conventions; but it is the combined thinking of these local groups that goes to make up the mind of the Nation.

I send the resolutions to the desk with the request that they be printed at this point in the RECORD as a part of my remarks.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

COMANCHE COUNTY FARM BUREAU ANNUAL MEETING, DECEMBER 14, 1937  
REPORT OF THE RESOLUTIONS COMMITTEE

Committee: A. L. Beeley, chairman, Coldwater; C. H. Jackson, Coldwater; C. F. Nichols, Coldwater; Frank Dale, Coldwater.

#### National agricultural policy

The restoration of farm income and purchasing power and the maintenance of a prosperous agriculture form the essential basis of

industrial and national prosperity, employment, and security. To accomplish this all-important task it is necessary to bring supply of farm products into balance with demand.

There can be no denial that in a large measure the price levels of the products of other American industries are largely determined and maintained through artificial means, exercised to control supply, and that the standard of American wages is largely determined and maintained in the same manner. To a large degree these artificial standards of prices and rates are accomplished through assistance on the approval of government. It therefore becomes the responsibility of government to assist farmers in securing and maintaining a standard of price levels and income for American agriculture that are commensurate with the standards set for other economic groups of American society.

This position the Comanche County Farm Bureau believes to be just and fair, and to help accomplish these results the organization believes in the following program:

1. Continuation of the soil-conservation and domestic-allotment program.
2. An ever-normal granary, supported by adequate commodity loans, which would insure sufficient supplies to consumers at a fair price.
3. Parity income for producers.
4. Commodity loans to cooperating farmers.
5. Production control to assist in controlling unmanageable surpluses.
6. Penalty features as a last resort to control surplus market supplies, including quotas, if found necessary.
7. Research into new uses and new outlets, both domestic and foreign, for agricultural products.

We commend the American Farm Bureau Federation and other farm organizations for the effort being made in behalf of the foregoing program and pledge our cooperation in their continued efforts.

#### Interest rates

We approve the 3½-percent interest rate on land-bank loans and 4 percent on Commissioner loans. We ask for the extension of these rates from June 30, 1938, until such time as the price of farm commodities justifies either a higher or lower rate.

#### Kansas delegation

We commend the Kansas delegation in Congress for their unqualified support of measures beneficial to agriculture.

#### Gasoline tax

We approve the present law for exemption from tax of gasoline used for agricultural purposes and urge the cooperation of every farmer with the department of inspection and registrations that our privileges under this law are not abused.

#### Farm-to-market roads

We urge our legislators to make provision for large participation by State, counties, and townships in building farm-to-market roads, so as to take full advantage of Federal funds now available for such purposes.

#### Rural electrification

We urge the development of rural electrification to the end that all farms be adequately served at a reasonable rate.

#### Water conservation and flood control

We earnestly petition for the enactment of laws that will make effective a sound and practical water-conservation and flood-control program for our State which should include farm ponds and small lakes in local communities.

#### Farm trucks

We believe that laws regulating trucking should be revised so that the rights of farmers to operate their private trucks in an economical manner will not be invaded. Farmers operating their trucks for hire less than 25 percent of the time they are using them should be exempted from the jurisdiction of the Kansas Corporation Commission. We favor the removal of such rules and regulations as do not protect public interests but tend only to hamper the benefits to be derived from competitive transportation systems.

#### 4-H club work

Realizing that 4-H club work is of utmost importance and has unlimited opportunities for expansion we especially commend the leaders of the various 4-H clubs.

The above resolutions were presented to the group present in the annual meeting session December 14, 1937, by A. L. Beeley, chairman of this committee, who moved their adoption. This motion was seconded by Ernest Dale and carried.

Mrs. FRANK DALE,  
Secretary, Comanche County Farm Bureau.

#### REPORTS OF COMMITTEES

Mr. AUSTIN, from the Committee on the Judiciary, to which was referred the bill (S. 488) to provide for the appointment of one additional United States district judge for the eastern district of Louisiana, reported it without amendment.

Mr. CONNALLY, from the Committee on Public Buildings and Grounds, to which was referred the bill (S. 3237) to transfer to the Secretary of the Treasury a site for a quarantine station to be located at Galveston, Tex., reported it

without amendment and submitted a report (No. 1306) thereon.

#### EXECUTIVE REPORT OF COMMITTEE ON APPROPRIATIONS

As in executive session,

Mr. McKELLAR, from the Committee on Appropriations, reported favorably the nomination of Miss Gay B. Shepper-son, of Georgia, to be State administrator in the Works Progress Administration for Georgia, which was ordered to be placed on the Executive Calendar.

#### BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LA FOLLETTE:

A bill (S. 3268) providing for the advancement in rank of Frederick L. Caudle on the retired list of the United States Navy; to the Committee on Naval Affairs.

By Mr. McKELLAR:

A bill (S. 3269) to provide for the appointment of one additional circuit judge for the sixth judicial circuit; to the Committee on the Judiciary.

By Mr. CAPPER:

A bill (S. 3270) authorizing the Administrator of Veterans' Affairs to provide appropriate military honors at the funerals of certain veterans; to the Committee on Military Affairs.

By Mr. THOMAS of Oklahoma:

A bill (S. 3271) to establish an Office of Motion Pictures in the Government Printing Office, and for other purposes; to the Committee on Printing.

By Mr. SHEPPARD:

A bill (S. 3272) to clarify the status of pay and allowances under the provisions of the act of September 3, 1919; to the Committee on Military Affairs.

By Mr. ASHURST:

A bill (S. 3273) to amend section 2 of the act to incorporate "The Howard University"; to the Committee on the Judiciary.

#### REPUBLICAN FORM OF GOVERNMENT FOR THE DISTRICT

During the delivery of Mr. ELLENDER'S speech,

Mr. LEWIS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. LEWIS. The joint resolution I tendered yesterday looking to the granting to the District of Columbia of a republican form of government, but which I withheld at the request of the majority leader, and because my friend the Senator from Louisiana [Mr. ELLENDER] had not reached the point in his address where I could disturb him, he now permits me to do so, and I tender the joint resolution for appropriate reference, to have it take its proper place in the RECORD.

The PRESIDING OFFICER (Mr. MINTON in the chair). Without objection, the joint resolution will be received and appropriately referred.

The joint resolution (S. J. Res. 246) proposing an amendment to the Constitution of the United States to provide for a republican form of government and representation in the Congress for the District of Columbia was read twice by its title and referred to the Committee on the Judiciary.

#### HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated below:

H. R. 1547. An act to amend section 42 of the act of Congress entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended;

H. R. 6178. An act to abolish appeals in habeas corpus proceedings brought to test the validity of orders of removal; and

H. R. 6907. An act to provide for the appointment of one additional circuit judge for the sixth judicial circuit; to the Committee on the Judiciary.

H. R. 3418. An act to extend the public-land laws of the United States to certain lands, consisting of islands, situated in the Red River in Oklahoma;

H. R. 7825. An act to authorize the use of certain facilities of national parks and national monuments for elementary-school purposes; and

H. R. 7826. An act to make available for national-park purposes certain lands within the boundaries of the proposed Isle Royale National Park, and for other purposes; to the Committee on Public Lands and Surveys.

H. R. 4732. An act to revise the air-mail laws; to the Committee on Post Offices and Post Roads.

H. R. 7259. An act to authorize the conveyance by the United States to the city of Ketchikan, Alaska, of a certain tract of land in the town site of Ketchikan;

H. R. 7553. An act to amend the laws of Alaska imposing taxes for carrying on business and trade;

H. R. 7778. An act to amend section 26, title I, chapter 1, of the act entitled "An act making further provision for a civil government for Alaska, and for other purposes," approved June 6, 1900;

H. R. 7827. An act to authorize public-utility districts in the Territory of Alaska to incur bonded indebtedness, and for other purposes;

H. R. 8403. An act to ratify and confirm Act 23 of the Session Laws of Hawaii, 1937, extending the time within which revenue bonds may be issued and delivered under Act 174 of the Session Laws of Hawaii, 1935; and

H. R. 8404. An act to authorize the Territory of Hawaii to convey the present Maalaea Airport on the island of Maui, Territory of Hawaii, to the Hawaiian Commercial & Sugar Co., Ltd., in part payment for 300.71 acres of land at Pulehu-Nui, island of Maui, Territory of Hawaii, to be used as a site for a new airport; to the Committee on Territories and Insular Affairs.

H. R. 7560. An act to authorize alterations and repairs to certain naval vessels, and for other purposes; to the Committee on Naval Affairs.

H. R. 7567. An act to authorize the Secretary of the Interior to permit the payment of the costs of repairs, resurfacing, improvement, and enlargement of the Arrowrock Dam in 20 annual installments, and for other purposes; to the Committee on Irrigation and Reclamation.

H. R. 8409. An act authorizing the State Highway Departments of North Dakota and Minnesota and the Boards of County Commissioners of Traill County, N. Dak., and Norman County, Minn., to construct, maintain, and operate a free highway bridge across the Red River of the North between Caledonia, N. Dak., and Shelly, Minn.; and

H. R. 8623. An act authorizing the State Highway Departments of North Dakota and Minnesota and the Boards of County Commissioners of Traill County, N. Dak., and Polk County, Minn., to construct, maintain, and operate a free highway bridge across the Red River of the North westerly of Nielsville, Minn.; to the Committee on Commerce.

#### ADDITIONAL COPIES OF PART 3, SENATE REPORT NO. 46—VIOLATIONS OF FREE SPEECH AND RIGHTS OF LABOR

Mr. LA FOLLETTE submitted the following resolution (S. Res. 223), which was referred to the Committee on Printing:

*Resolved*, That there be printed 5,000 additional copies of Senate Report No. 46, part 3, current Congress, on violations of free speech and rights of labor, of which 1,000 copies shall be for the use of the Senate document room and 4,000 copies for the use of the Senate Subcommittee on Education and Labor conducting the investigation.

#### ADMINISTRATIVE OFFICE OF UNITED STATES COURTS

Mr. ASHURST. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a copy of the bill (S. 3212) to establish the Administrative Office of the United States Courts, and for other purposes. There is some misunderstanding as to the purport and effect of the bill, and I



ask that it be printed in the RECORD, so that all persons who are interested in the measure may have an opportunity to read it.

The VICE PRESIDENT. Is there objection?

There being no objection, the bill (S. 3212) was ordered to be printed in the RECORD, as follows:

*Be it enacted, etc.,* That the Judicial Code is hereby amended by adding at the end thereof a new chapter to be numbered 15 and entitled "The Administrative Office of the United States Courts," as follows:

**"CHAPTER XV—THE ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS**

"Sec. 302. There shall be at the seat of government an establishment to be known as the Administrative Office of the United States Courts and a Director at the head thereof, who shall be appointed by, and hold office at the pleasure of, the Supreme Court of the United States. There shall be in said establishment an Assistant Director, to be appointed by the Supreme Court, who shall perform such duties as may be assigned to him by the Director and, during the absence or incapacity of the Director or during a vacancy in that office, shall act as Director. There shall also be in said establishment such additional officers and employees as the Director may find necessary or proper. The Director and Assistant Director shall receive annual salaries of \$10,000 and \$7,500, respectively. The Director shall cause a seal of office to be made for the said establishment of such device as the Chief Justice of the United States shall approve, and judicial notice shall be taken of the said seal.

"Sec. 303. The Director shall have authority to appoint, remove, and prescribe the duties and fix the salaries of officers and employees of said establishment.

"Sec. 304. The Director shall be the administrative officer of the United States courts and shall have charge, under the supervision of the Chief Justice of the United States and of the conference of senior circuit judges, of (1) all administrative matters relating to the offices of the clerks and other clerical and administrative personnel of the courts; but nothing contained in this chapter shall be construed as affecting the authority of the Attorney General respecting United States marshals and their deputies, United States attorneys and their assistants, and probation officers; (2) examining the state of the dockets of the various courts and securing information as to their needs for assistance, if any; (3) making recommendations to the Chief Justice of the United States respecting the assignment and designation of judges to serve temporarily in circuits or districts other than those for which they were respectively appointed; (4) the disbursement of moneys appropriated for the maintenance, support, and operation of the courts; (5) the purchase, exchange, transfer, and distribution of equipment and supplies; (6) the examination and audit of vouchers and accounts of the officials and employees covered by this chapter; (7) the provision of accommodations for the use of the courts and the various officials and employees covered by this chapter; (8) the preparation of statistical data and reports of the business transacted by the courts; and (9) such other matters as may be assigned to him by the Chief Justice of the United States or by the conference of the senior circuit judges. The Director shall, under the supervision of the Chief Justice, prepare and submit to the Bureau of the Budget annually estimates of the expenditures and appropriations necessary for the maintenance and operation of the United States courts and the Administrative Office of the United States Courts, and such supplemental and deficiency estimates as may be required from time to time for the same purposes, in accordance with the provisions of the Budget and Accounting Act. All estimates so submitted shall be included in the Budget without revision.

"Sec. 305. The audit made by the Director of the accounts and vouchers of the officials and employees referred to in this chapter shall be final.

"Sec. 306. The provisions of this chapter shall apply to the Supreme Court of the United States, the several United States circuit courts of appeals, the United States Court of Appeals for the District of Columbia, and the several district courts of the United States in the continental United States, including the District Court of the United States for the District of Columbia. The term 'courts' as used in this chapter means the courts specified in this section. The term 'continental United States' as used in this chapter means the States of the Union and the District of Columbia."

SEC. 2. The employees of the Department of Justice engaged in the audit of accounts and vouchers referred to in section 304 of the Judicial Code may be transferred to the Administrative Office of the United States Courts. In such event, the appropriations available for the current fiscal year, from which such employees are paid, shall be apportioned between the Department of Justice and the Administrative Office of the United States Courts, on the basis of duties transferred to the latter office. All records, documents, and papers relating to the audit of accounts referred to in section 304 of the Judicial Code shall be transferred from the Department of Justice to the Administrative Office of the United States Courts.

SEC. 3. All unexpended appropriations for the support, maintenance, and operation of the courts specified in section 306 of the Judicial Code for the current fiscal year, and all unexpended appropriations covering judicial personnel as specified in section 304 (1) of the Judicial Code, including appropriations for the salaries of justices and judges who have retired or who have resigned under the provisions of section 260 of the Judicial Code (U. S. C., title 28, sec. 375), are hereby transferred to the control of the Administrative Office of the United States Courts.

SEC. 4. All powers and duties now conferred or imposed by law upon the Department of Justice or the Attorney General, relating to the administrative audit of the accounts and vouchers referred to in section 304 of the Judicial Code, are hereby transferred to and vested in the Administrative Office of the United States Courts.

SEC. 5. All administrative powers and duties now conferred or imposed by law upon the Department of Justice or the Attorney General, respecting clerks of courts, deputy clerks of courts, and clerical assistants, law clerks, secretaries, and stenographers to the judges, and librarians in charge of libraries of the courts, are hereby vested in the Administrative Office of the United States Courts.

SEC. 6. This act shall take effect 90 days after its approval.

**THE NAVAL PROGRAM, NEUTRALITY, PEACE, AND WAR—ADDRESS BY SENATOR NYE**

[Mr. SHIPSTEAD asked and obtained leave to have printed in the RECORD a radio address on the subject of the Naval Program, Neutrality, Peace, and War, delivered by Senator NYE on Sunday, January 16, 1938, which appears in the Appendix.]

**THE CONSTITUTION AND INDUSTRIAL REFORM—ARTICLE BY PAUL L. BLAKELY**

[Mr. WALSH asked and obtained leave to have printed in the RECORD an article by Paul L. Blakely entitled "The Constitution and Industrial Reform," published in Thought for December 1937, which appears in the Appendix.]

**THE P. W. A. POWER VICTORY—EDITORIAL FROM SPRINGFIELD (MASS.) REPUBLICAN**

[Mr. MINTON asked and obtained leave to have printed in the RECORD an editorial entitled "The P. W. A. Power Victory," published in the Springfield (Mass.) Republican of January 5, 1938, which appears in the Appendix.]

**PREVENTION OF AND PUNISHMENT FOR LYNCHING**

The Senate resumed the consideration of the bill (H. R. 1507) to assure to persons within the jurisdiction of every State the equal protection of the laws and to punish the crime of lynching.

The VICE PRESIDENT. When the Senate took a recess yesterday, the Senator from Louisiana [Mr. ELLENDER] had the floor, and had not concluded his remarks.

Mr. BILBO. Mr. President—

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Mississippi?

Mr. ELLENDER. I do.

Mr. BILBO. I should like to have the floor tomorrow, after the roll call, in order to address the Senate on the subject of the pending bill.

The VICE PRESIDENT. Provided when the Senate takes a recess tonight no other Senator is speaking who desires to continue his remarks tomorrow, the Chair sees no reason why the Senator from Mississippi should not have the floor at that time.

Mr. ELLENDER. Mr. President, I wish to further discuss the pending bill. I intend at this time to review only to a certain extent some of the arguments I have been presenting to the Senate for the past 3 days. I believe it has been successfully shown, not only by myself but by a number of Senators who have preceded me, that the South is making a noble and successful fight toward eradicating the crime of lynching.

It has been conclusively shown that the South does not favor lynching any more than does the North, and that the enactment of the pending bill would not by any means tend to help conditions in the South. I have tried to show to the Senate—and I hope I have succeeded—that the great city of

Washington, which is under Federal jurisdiction from top to bottom, has been unable to cope successfully with the crime situation, insofar as it deals with Negroes, in comparison with what we have been able to do in the South in the city of New Orleans, a city of approximately the same population as Washington, with practically the same proportion of Negroes located therein. I believe I have also shown that, notwithstanding the provision of our Federal Constitution which gives equal rights to both races, and makes no distinction between the races, various States, which have been named, 18 in number, have seen fit to pass statutes recognizing certain civil and other rights in favor of the colored race, and in a measure placing both the white and the colored races on the same basis, although, as I pointed out, the Constitution of the United States guarantees equality of rights to all citizens.

Why did the great State of Pennsylvania see fit to enact, in 1935, the statute which I read on yesterday—a statute which, as the Senator from New Jersey [Mr. SMATHERS] said during the debate, he would like to see adopted as a model for New Jersey, although, as I also pointed out yesterday, New Jersey already has a statute which does not need much more elaboration in attempting to place both races on a social parity?

Mr. DAVIS. Mr. President—

The PRESIDING OFFICER (Mr. COPELAND in the chair). Does the Senator from Louisiana yield to the Senator from Pennsylvania?

Mr. ELLENDER. I do.

Mr. DAVIS. To what statute of Pennsylvania does the Senator refer?

Mr. ELLENDER. A statute passed at the session of 1935.

Mr. DAVIS. There are many statutes that were passed in 1935.

Mr. ELLENDER. Pardon me, Senator. I am referring to the statute which was read by me to the Senate yesterday, and was pointed out by the Senator from New Jersey [Mr. SMATHERS], before I reached it, as being a model statute—a statute granting to the citizenry of the great State of Pennsylvania, irrespective of color or race, equal civil rights.

Mr. DAVIS. I am familiar with that statute.

Mr. ELLENDER. I know you are. Further, I pointed out that the State of Pennsylvania has seen fit not to pass a law prohibiting intermarriage between whites and Negroes.

Mr. President, I have cited and read all of these various State statutes to the Senate in order to make my point clear that they were not enacted at the behest and for the benefit of the great majority of the people in Pennsylvania, or Connecticut, or Massachusetts, and such other States as have these statutes. Such legislation is the result of the demand of small colored groups, little cliques of Negro politicians who congregate in Harlem, who congregate in Chicago, who congregate in Pittsburgh, who congregate in Philadelphia, and who, by uniting their strength, are not only able to be well represented in the legislatures of those various States but who are also able to hold the balance of power in close elections in those States. They invade a legislature that is predominantly white and have such equal social-rights legislation placed on the statute books of those various States in exchange for their vote, although such rights are already guaranteed by the Constitution.

I ask the question, Why should these small groups make these demands in view of their guaranties under the Federal Constitution? The answer is, as I conceive it, that the white people of those States evidently refused to recognize them socially, and in order to have further recognition of their rights they appeal to their local legislatures. I am convinced that the good white people of the North do not want to mix with the Negro socially.

Mr. SMITH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from South Carolina?

Mr. ELLENDER. I yield to the Senator from South Carolina.

Mr. SMITH. Was the legislature by which this civil-rights bill was passed in Pennsylvania overwhelmingly Democratic?

Mr. ELLENDER. I think it was pretty well divided between the parties; but, as I recall, the Democrats were in the majority in one house. I am not certain. I will ask the Senator from Pennsylvania [Mr. DAVIS] to answer the question. He may be able to supply the information for the benefit of the Senator from South Carolina.

Mr. DAVIS. Mr. President, the Democratic Party was in the majority in the house of representatives.

Mr. ELLENDER. But not in the senate? That was my information, and I am glad the Senator has confirmed it.

Mr. SMITH. But the Governor was Democratic?

Mr. ELLENDER. Yes, sir; the Governor was Democratic.

Mr. SMITH. And the bill received his approval?

Mr. ELLENDER. It did. He did not veto the bill. It is on the statute books of the State of Pennsylvania today.

Mr. DAVIS. Mr. President, will the Senator further yield?

Mr. ELLENDER. I yield to the Senator from Pennsylvania.

Mr. DAVIS. The Democratic Governor of Pennsylvania, Mr. Earle, was invited to deliver a number of speeches throughout the South during the past year, and has done so.

Mr. ELLENDER. I do not know much about that, and I do not know what the Senator has in mind. I do not know that the Governor of Pennsylvania has appeared in Louisiana. But, Mr. President, as I started to say, these little minorities, these little groups that have been able in the past to obtain recognition, as it were, in the various State legislatures, are the same groups that are now behind the pending bill. They do not know much about this bill or what it will do. As I said yesterday, it is dubbed an anti-lynching bill, but I say that it will not curb the crime of lynching; but these groups have been collecting money from other little groups throughout the country and have been spreading propaganda throughout the country and have received the support of many organizations that, I feel confident, do not know the contents of the bill and do not know what the South has done, is now doing, and proposes to do in the future, in order to eradicate and stamp out the heinous crime of lynching. The point is, as I stated in the course of this debate for the past 3 days, that gradually these small groups are coming before Congress, step by step, and are advocating laws in order that, sooner or later, as time goes on, the Negroes may receive social recognition that will place them on the same plane with the whites.

As I pointed out yesterday and the day before, there is pending in the lower House of Congress a bill to do away with the so-called Jim Crow law of the South, and that bill was introduced by a Negro Congressman from Chicago. I believe his name is MITCHELL.

There are other bills before the lower House, and one to which I desire particularly to refer is the bill seeking to nationalize the marriage and divorce laws of the country. I am wondering who is back of that. I am wondering who is advocating that bill. I am wondering whether the same little groups of colored voters, the same little cliques which hold the balance of power in the various States which I mentioned yesterday, are not collecting money from the members of their societies throughout the Nation and sending the presidents of some of these societies, who live by what is collected from the societies throughout the Nation, to Washington. They have established headquarters here in Washington in order to lobby for bills like this so-called anti-lynching bill—bills like the ones now before the lower House which I have just mentioned, in order to eventually give the colored race social and other rights equal to those now enjoyed by the white people of this Nation.



Mr. President, in the course of my remarks I mentioned the fact that it was an awful thing that citizens of this country ever engaged in the slave traffic. It was unfortunate that the Negro was ever landed on the shores of our country. Slavery brought on the Civil War. It made the North fight against the South, and the South lost. But, as I pointed out, bringing the Negro slave to this country from darkest Africa has benefited the Negro race, and now the Negroes' greatest benefactors, the white people, are being imposed upon, because certain groups are seeking to give the Negro equality, to put him on the same plane with the white man. I propose to show by history that wherever there has been a mixture of a colored race, especially the Negro race, with the whites, there has developed a mongrel type, which is not able, which has not the capacity above the shoulders, to carry on civilization. I say sincerely what I have stated on two or three occasions; a remark I shall repeat: political equality leads to social equality, and social equality will eventually spell the decay and downfall of our American civilization.

With this in mind I propose to read from the pages of history and show that the great civilizations of Egypt and of India have decayed because of the mongrelization, I may say to the junior Senator from Florida [Mr. PEPPER], of the early white race in those countries with the Negro from Ethiopia. What I fear is that the same result may be brought about in this country, and we are bound, as the forerunners of future generations, to take heed of the danger now, before it is too late.

When the cannon were heard at Fort Sumter back in 1861 it was the signal for the beginning of the bloody Civil War between the North and the South. We will not hear such a disastrous signal again insofar as the North and the South are concerned. But what I fear is that sooner or later, unless something is done to prevent the amalgamation of the Negro race with the white race, if the Negroes keep on wedging in, getting nearer and nearer to social equality, the white people of this country are bound to see the handwriting on the wall, and I do not know whether there will be any lynchings or not, but there may be a lot of shootings, a lot of bloodshed, race riots as never before.

Mr. DIETERICH. Mr. President, I ask the indulgence of the Senator from Louisiana in order that I may call the attention of the Senator from Tennessee [Mr. McKELLAR] to some statistics I have gathered since our little dialogue yesterday in reference to crime conditions in the States of the Union.

Mr. ELLENDER. I yield for that purpose.

Mr. DIETERICH. I have some statistics on murder and aggravated assault in 1936, giving the rate per 100,000 of population, for offenses known to the police from tables 74 and 78, Uniform Crime Reports, Federal Bureau of Investigation, Fourth Quarterly Bulletin, 1936.

Table 74 gives the national average per 100,000 population as reported in 1,658 cities, with a population of 60,372,091.

The national average for murder is 6.2. The national average for aggravated assault is 46.2, both of these referring to 100,000 population.

I note that this table shows that the rating of Tennessee in the murder classification is 25.2, far above the national average per hundred thousand, and that the State of Illinois has a rating of 5.4 in the classification of murder, from figures gathered by the Federal Bureau of Investigation.

I note also that in the rating as to aggravated assault the State of Tennessee has a rating of 207.5 per hundred thousand of population, while the State of Illinois has a rating of 39.9.

I ask permission to have this table inserted in the RECORD. The PRESIDING OFFICER. Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

# Murder and aggravated assault in 1936

[Rate per 100,000 population for offenses known to the police from tables 74 and 78, Uniform Crime Reports, Federal Bureau of Investigation, Fourth Quarterly Bulletin, 1936]

Rating	Geographic division and State	Murder	Geographic division and State	Aggravated assault
Table 74 (pp. 128-130): National average per 100,000 population as reported by 1,658 cities with 60,372,091 population		Percent 6.2		Percent 46.2
Table 78 (p. 137)	DIVISION		DIVISION	
	East South Central	21.3	South Atlantic	162.9
	South Atlantic	17.5	East South Central	143.3
	West South Central	17.1	West South Central	89.0
	Mountain	7.5	West North Central	36.4
	East North Central	4.8	Middle Atlantic	35.5
	West North Central	4.4	Pacific	28.0
	Middle Atlantic	4.0	Mountain	23.0
	Pacific	3.5	West North Central	19.1
	New England	1.0	New England	10.5
	STATE		STATE	
	Georgia	31.8	North Carolina	458.6
	North Carolina	27.6	Florida	268.0
	Alabama	27.5	Virginia	261.7
	Tennessee	25.2	Tennessee	207.5
	Florida	21.4	Georgia	132.6
	Texas	19.8	Kentucky	128.9
	Louisiana	18.1	Louisiana	121.0
	Virginia	18.0	Arkansas	105.5
	Arizona	17.5	South Carolina	102.7
	South Carolina	15.9	Alabama	95.7
	Kentucky	14.7	West Virginia	93.8
	Nevada	13.1	Texas	88.2
	Arkansas	11.6	Mississippi	79.1
	Mississippi	10.7	New Jersey	57.7
	West Virginia	10.3	Arizona	56.7
	Oklahoma	10.0	Oklahoma	51.7
	Missouri	8.5	Indiana	44.5
	Colorado	7.5	Delaware	43.5
	Maryland	7.4	Illinois	39.9
	New Mexico	7.3	Nevada	39.2
	Wyoming	6.6	Ohio	37.9
	Ohio	6.5	Michigan	37.4
	Delaware	5.9	New Mexico	36.6
	Utah	5.5	Pennsylvania	34.3
	Indiana	5.5	New York	31.1
	Illinois	5.4	California	31.0
	Kansas	4.3	Missouri	27.9
	Pennsylvania	4.2	Washington	21.8
	Nebraska	4.1	Utah	20.9
	New York	4.0	Kansas	20.3
	California	3.8	Colorado	17.5
	New Jersey	3.6	Montana	17.3
	Montana	3.1	Idaho	15.0
	Idaho	3.0	Minnesota	14.9
	Washington	3.0	Nebraska	14.3
	North Dakota	2.9	Oregon	14.0
	Michigan	2.9	Connecticut	12.8
	Vermont	2.2	Iowa	12.1
	Maine	2.0	Maine	10.8
	South Dakota	1.8	Massachusetts	10.5
	Oregon	1.6	New Hampshire	9.4
	Minnesota	1.4	Maryland	9.0
	Connecticut	1.4	Rhode Island	8.4
	Wisconsin	1.2	Wisconsin	7.2
	Iowa	1.2	North Dakota	6.7
	Massachusetts	.9	Wyoming	6.6
	Rhode Island	.7	South Dakota	4.4
	New Hampshire	.5	Vermont	1.1

Mr. McKELLAR. Mr. President, I will look into the figures at the proper time. I hope the figures furnished by the Senator from Illinois today are more accurate than the figures he cited yesterday, and more accurate than the history he attempted to repeat on yesterday.

Mr. ELLENDER. Mr. President, I am not alone in the statement I have just made, and in the conclusions I have reached. Let me read to the Senate what some of our great statesmen, from Jefferson to Lincoln, thought of this problem. I may say that it is not my purpose at this time to go into the details of the problem or into the opinions of these men, what they thought, and what their remedy was, but I propose to leave that for future reference, and perhaps debate. I merely desire to read the opinions of these eminent statesmen on this vital subject before I proceed to read to the Sen-

ate how an amalgamation of the races affected the countries which I have named.

I find in Cox's *White America*, from which I read yesterday, the following at page 321:

Let us compare the solutions offered by our time-serving or ignorant demagogues with those of our greatest statesmen, men whose statesmanship and prophetic vision have withstood the test of time and events. In company with these great Americans, let us visualize the future. If we cannot peer into the years before us and see the burden upon our children and our children's children, we are not qualified to deal with the Negro problem. Men die; man lives on. We must look to the future. This visualization is essential at the present time, for a race problem is of such insidious nature as to be realized by the mass at such late date as to render its effective solution an impossibility.

Jefferson, the most farseeing of our statesmen, foretold that we awaited separation of the races or their amalgamation. We have seen how his analysis is true, that it agrees with every instance in the contact of races during the 60 centuries of written history.

When the author of this book refers to the fact that we have seen many instances where decadence has occurred on account of amalgamation he refers to the histories of India and Egypt and other countries, to which I will refer later on in this debate.

When the Negro numbered but 1,000,000, the fathers of the Republic had already foreseen the gravity of the race problem and they knew that not the problem of slavery but that of the Negro—his physical presence—whether slave or free, was a menace to our race and institutions.

"Nothing is more certainly written in the book of fate than that these people are to be free; nor is it less certain that the two races, equally free, cannot live in the same government."

That is a quotation from Jefferson's works, volume 1, page 48.

Jefferson repeatedly pointed out that the problem of Negro slavery was but a phase of the Negro problem; that if the slaves were freed, the freedmen would remain. Jefferson believed that separation was possible and imperative.

Henry Clay was a lifelong advocate of the necessity of removing the Negro from America. He, like Madison, Monroe, and numerous other foremost Americans, from both North and South, became an active supporter of the American Colonization Society, the purpose of which was to return the freed Negro to Africa and which succeeded in founding the Republic of Liberia, the ruling class of which is of American origin.

This organization is still in existence, with headquarters at Washington. It is now well officered and is giving signs of a revival of its early energy. Of late, it is urging the United States Government to intervene in behalf of Liberia and prevent further spoliation of that republic by Great Britain and France. The United States is certain to protect the independence of Liberia. At the request of that country the United States is now furnishing an administrator for its customs. Liberia may prove to be a providential gateway into Africa at the disposal of the American Government, for the repatriation of American Negroes.

Observe now what Webster thought:

Webster came to the point when he said, "If any gentlemen from the South shall propose a scheme to be carried on by this Government upon a large scale, for their (the Negroes') transportation to any colonies, or to any place in the world, I should be quite disposed to incur almost any expense to accomplish that object."

That is a quotation from Webster's speech of March 20, 1850.

Senators, listen now to the colloquy which took place in a debate between Stephen A. Douglas and the Great Emancipator, Abraham Lincoln. This appears at page 323 of the same volume from which I have been reading:

Stephen A. Douglas, in his contest with Abraham Lincoln for a seat in the United States Senate (1858), said: "I am opposed to Negro citizenship in any and every form. I believe that this Government was made by white men for the benefit of white men and their posterity forever."

Lincoln, the statesman that he was, did not, in any manner dodge the question, but said—I read further from the same volume:

The immortal Lincoln answered Douglas with, "I will say this, that I am not, nor ever have been, in favor of bringing about in any way the social and political equality of the white and black races—that I am not, nor ever have been, in favor of making voters or jurors of the Negroes, nor of qualifying them to hold office, nor to intermarry with white people; and I will say in addition to this, that there is a physical difference between the white and black races which I believe will forever forbid the two races living together on terms of social and political equality."

Fellow Senators, there we have the views of men of early American history from Jefferson up to the immortal Lincoln. I may add that it can also be shown that Grant likewise believed that something should and must be done to preserve the supremacy of the white race if we are to keep the Negro within our borders.

As far as I am personally concerned, I should not like the idea of deporting the Negroes to Liberia. I believe that we can let them stay here in America, provided they are separated socially and politically from the white people and not permitted to amalgamate with the white race. But, Senators, what I fear, and what the American people should fear, is the continuous encroachment by these little groups of Negroes who come to the Congress and attempt to obtain the passage of bills that will eventually put them on the same plane with the white people—that is what I fear, not only for the Negro but for the white people and for the future of America; and I say that if those agitators succeed, if our Nation shall become so amalgamated that the Congress is presided over by a Negro, or if we have sitting in these seats men of Negro blood, we shall have the same condition existing in this country which existed in the past in Egypt, in India, and other countries. Mr. President, I believe my fear is well founded, and this, to me, is beyond politics and even beyond the Constitution.

Mr. LEWIS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. LEWIS. I ask the able Senator from Louisiana if he sees in the bill now before us, which is merely addressed to preventing lynching, anything whatever that itself works amalgamation of races on the social plane? If he says he thinks it does, merely because it recognizes some legislation in behalf of the Negro, which is national legislation, I ask my able friend, why did not the national privilege of voting which is extended to the Negro work the unfortunate result which the Senator prophesies or seems to fear?

Mr. ELLENDER. I will say to the Senator from Illinois, as I said yesterday, and as I said Saturday, and as I said Friday, that if I were convinced that the pending bill would stop lynching I would not be here talking against it. But I claim that the small groups that are now behind this bill are the same groups which have fought in Pennsylvania, which have fought in Massachusetts, which have fought in other States in order to give to the Negro something he already enjoyed under the Constitution. Why were the laws I have read placed on the statute books of those various States? Certainly because some demand had been made by these various colored groups that such laws be placed there.

As I pointed out yesterday, there are some statutes which even provide that Negroes and whites should be buried in the same cemeteries. Some State statutes provide that they may bathe in the same bathrooms, sleep in the same hotels, eat in the same restaurants.

Mr. President, I say that the Constitution of the United States does not deny that right to the colored people, but evidently those Negroes who were back of these bills tried to nudge in or get into these various places, where they were unwelcome, and because they were refused entrance and because the white people of these Northern States refused to associate with them socially they saw fit to go before the various legislatures and demand the passage of such legislation permitting equality. There can be no other explanation for such legislation. Certainly the learned Senator from Illinois [Mr. LEWIS] will not deny that the power of the ballot was the cause of such legislation.

I contend that those same groups—which are growing more and more powerful—are coming now before the Congress with not only the so-called antilynching bill, but other bills that I have indicated as now pending before the House of Representatives, and if they succeed in having those bills passed they are coming back after additional benefits and privileges. If a bill now pending making divorce and marriage laws uniform throughout this Nation shall become law, that would signify a fine victory for the colored people.



Mr. President, as I remarked yesterday and as I said the day before, I am pleading that this bill shall not pass, but should it pass, then before the final vote is taken I propose to submit three amendments for action by the Senate. I do not know whether the first amendment will be constitutional, but I venture to say it is going to be just as constitutional as the bill itself.

Before I go into a discussion of those amendments I wish to say that there are 18 States, as I have already pointed out, which do not prevent intermarriages of colored people and white people. But I propose to present an amendment to the pending bill, first to prohibit such intermarriage between Negroes and whites in every State in the Union, and I shall give an opportunity to every Senator to express himself by record vote on that amendment.

Should that amendment be too drastic, I am going to propose a second amendment so as to protect those States of the Union which have passed laws prohibiting the intermarriage of colored and whites; so that if Pennsylvania, New York, or Massachusetts decide to permit the intermarriage of colored and white persons, such persons who have intermarried shall not be permitted to come into Louisiana or other States where the practice is forbidden.

That is amendment No. 2. I shall likewise give an opportunity to the Members of the Senate to express their opinion on that proposition by a record vote.

Should my first amendment fail, then I shall propose for the District of Columbia what is provided for in Louisiana, and, I am glad to say, in many other States of the Union; that is, to prevent the intermarriage of Negroes and whites in the District of Columbia—in the city of Washington. I expect to offer that as an amendment to the pending bill if my first amendment shall fail of adoption.

Mr. President, I believe I have demonstrated, not today but during the course of my remarks of the past 3 days, that this country cannot afford to permit the amalgamation of the white race with the colored race. Not only can we not accede to it but we cannot sanction practices that will lead up to it. In other words, we should not pass this pending bill or like bills which will encourage it. We must do something to stop it now before it is too late. I do not want cannons to boom or musketry to crash or to have any strife between the whites and the colored. I do not want anything like that to happen in this country, and what I am pleading for is not only for the benefit of the white race but for the benefit of the colored race itself, because I contend that the colored race is bound to suffer unless the white people, who have been the benefactors of the colored race in the past, are maintained at the top of the ladder. I plead for white supremacy, for a pure, unadulterated white race, because I feel and believe that only the whites can maintain and further build up and retain our present high plane of civilization. The mongrel has failed in Egypt and India. We must not even give him the chance to destroy our proud American civilization.

(At this point Mr. LEWIS, by unanimous consent, introduced S. J. Res. 246, proposing to establish a republican form of government for the District of Columbia, which appears in today's RECORD, p. 681, under the appropriate heading.)

Mr. McKELLAR. Mr. President—

The PRESIDING OFFICER (Mr. MINTON in the chair). Does the Senator from Louisiana yield to the Senator from Tennessee?

Mr. ELLENDER. I yield to the Senator from Tennessee.

Mr. McKELLAR. Mr. President, there are very few Senators present. Will the Senator yield to me for the purpose of making a suggestion as to a quorum?

Mr. ELLENDER. I do not yield for the purpose of a quorum call.

Mr. McKELLAR. Then will the Senator yield to me for another purpose at this point?

Mr. ELLENDER. I gladly yield to the Senator from Tennessee.

Mr. McKELLAR. Mr. President, I take it from the joint resolution introduced by the Senator from Illinois that he wants to change the form of government of the District of Columbia. I do not know but that I may join him in that effort; I have not determined entirely my attitude, but I may do so. At the present time, however, I wish to read into the RECORD an article from the Washington Post of January 18, 1938, this morning's issue, which should certainly cause two reactions in the mind of the Senator from Illinois. First, it should make him feel that there ought to be something done with the government of the District of Columbia, and, secondly, it should cause him to believe that the Congress ought not to turn over to Federal authority jurisdiction over a crime such as lynching, which has now been almost entirely eliminated up to date, and take jurisdiction out of the hands of the State authorities, when the Federal Government is showing such inability to cope with crime conditions in the District of Columbia. I read from the first page of the Post, published in the city of Washington, where the Federal Government is supreme, as we all know, a two-column article under the headlines—

Bandits kidnap, beat man as D. C. counts 50 crimes in 48 hours.

I do not think there is a State or city government anywhere that can excel that crime record.

Bandits kidnap, beat man as D. C. counts 50 crimes in 48 hours. Eleven suspects identified in biggest line-up in Capital annals.

Yet we want to turn jurisdiction of the crime of lynching over to Federal authorities selected by the Federal Government.

Mr. LEWIS. Mr. President—

Mr. McKELLAR. I yield to the Senator from Illinois, if I may.

Mr. LEWIS. With the consent of the Senator from Tennessee, may not I invite his attention to the thought that while these offenses have been committed, and doubtless have multiplied, it is only fair to the great Capital of our country to call the attention of the Nation to the fact that criminals come into the District of Columbia from many other jurisdictions; they pass through the Capital and pause at the Capital, and no doubt, as the Senator says, commit offenses in the Capital. But they are not of the Capital; they are not of the citizenry of Washington. It is difficult to apprehend them because they come from different sections and are not located in the District of Columbia. I hesitate to join in that which merely holds the Capital of the Nation up morn, noon, and night as a despicable place and impeach it before all civilization as unworthy of the residence of law-abiding citizens. I feel that we should look at this situation fairly and recognize that the many offenses to which the Senator from Tennessee has from day to day alluded are not the result, in large measure, of the action of those who reside in the city of Washington, but, unfortunately, of those who come into our midst from other sections of the land. That is the point of view which I desire to express.

Mr. McKELLAR. May I ask the Senator, in partial reply, has he read this article?

Mr. LEWIS. I read this morning that the charge my able friend makes was made in the newspapers as to certain crimes having been committed yesterday. I regret the situation very much.

Mr. McKELLAR. I, too, regret it very much, but I want to compliment the police on taking the position they have taken about it. I am not criticizing the police. I think if there were 50 crimes here and the police arrested the criminals it is very much to their credit that they have done this good job at this time. But I wish to read from the article:

Eleven suspects identified in biggest line-up in Capital annals. Woman routs thug by use of tear gas. United States employee—

A "United States employee"—

forced into car and left in Rock Creek Park.

These are the things that are happening in the city of Washington, which is under the supreme control of the Fed-

eral Government, and yet the Senators from Illinois are anxious to have the Federal Government assume jurisdiction of eight lynchings throughout the entire Nation in a year.

I read from the article:

While the District's most ambitious line-up of robbery suspects netted 11 identifications in 20 cases last night, the city's crime wave rolled on to pile up more than 60 larcenies, hold-ups, housebreakings, and assaults in the preceding 48 hours.

Most spectacular of these was the kidnaping and robbery early last night of Fred M. Miller, 45, of 1426 Twenty-first Street NW., a Government employee. He was forced into an automobile near his home by two white men, struck over the left eye, robbed of \$12, and left in Rock Creek Park.

In Montgomery County, Md., on River Road, just over the District line, a pretty 23-year-old woman routed with a blast of tear gas a huge colored man who sought to snatch her pocketbook.

#### TEAR GAS FINDS ITS MARK

A stream of the noxious gas struck the would-be attacker, who outweighed his victim, Mrs. H. C. Burrus, by more than 70 pounds. The gas hit him squarely in the face. Police said the charge would incapacitate the man several hours.

Identified at last night's record line-up, where more than 200 victims of hold-ups—

More than 200 victims of hold-ups!—

saw 40 suspects paraded before them in the shadow box, were 11 men connected with some of Washington's most daring hold-ups in recent weeks, police said. At least a score of gunpoint robberies were believed to have been solved and at least one gang, swooping down on the District from Baltimore and swiftly retreating, was broken up.

#### \$2,000 HOLD-UP SOLVED

Those identified, police said, were:

Harley Maddox, colored, picked out by William E. Matthews in connection with a \$2,000 robbery of a Peoples Drug Co. messenger.

Ellsworth Tippet, one of the two young "drunk bandits," who staged seven hold-ups here last week, identified by Fannie Litman, 337 Third Street SW.; and by Louis Hillman, 318 First Street SW.; also by Millard Brickerd, gas-station attendant of Twenty-sixth and Benning Road NE., who was held up twice; and David Frye, Twenty-fourth Street and Benning Road NE.; Abraham Butts, 831 Sixth Street SW., who was the target for several shots from the bandit's gun when he attempted to resist; Morris Bassin, 53 D Street SE.; and Grover Dare, 36 D Street SE.

Ellis Tippet, the other "drunk bandit," was identified by Brickerd and Frye.

Luther A. Riley, colored, was identified by Moe Hein, 600 I Street SE. Riley was identified by other hold-up victims in a line-up last week.

Samuel Brady, returned to Baltimore, was identified by Hein.

John Johnson, colored, also returned to Baltimore, was picked out by Isaac Lapidus, 3110 Rhode Island Avenue NE., and by Benjamin Wilson, 705 Fourth Street NW., and Nick Bobys, 501 Florida Avenue NW., and Manuel Auerbach, 1311 North Capitol Street, and by Stanley Golden, 300 M Street SW.

Clarence Trusty, colored, now in Baltimore, was identified by Lapidus and Abraham Kayuffman, 1501 T Street NW.

Harry M. Towson, colored, was identified by Eddie B. Smith, 609 Eleventh Street SW., and by Auerbach Leon Pappas, 43 H Street NW., and Aaron Golubotzky, 433 Ninth Street SW.

Thomas Austin, colored, held in Baltimore and identified by his photograph by Smith, Golden, and Pappas.

William T. Nelson, colored, also identified in last week's line-up, picked last night by Golden and Golubotzky.

Andrew Savage, colored, of Baltimore, picked by Millie Farber, 1000 block Seventh Street NW.

Savage and Towson were captured after a running gun battle by Detective Sgt. Robert Barrett and Precinct Detective Dewey Guest, when their automobile crashed into another at the Peace Cross in Bladensburg, Md. Trusty, Austin, and Johnson were captured in Baltimore after Savage and Towson implicated them in several robberies here.

Ellsworth and Ellis Tippet were captured in a hotel at Woodbridge, Va., with a 14-year-old girl, when the hotel proprietor became suspicious and notified police. It was said the girl was to have become Ellis' bride.

Miller's kidnaping in the heart of a northwest residential section was reported to police almost as soon as it occurred. Miss Grace McLean, walking from work to her home at 2131 O Street NW., told police she heard a man scream and saw Miller being forced into the automobile in an alley adjoining that address. A half hour later he made his way back home in a taxicab with 25 cents the bandits left him for carfare—

They must have been "good" bandits—

He was treated by Dr. Harry P. Scott, 1426 Twenty-first Street NW. Mrs. Burrus told police the colored purse snatcher crept up behind her while she was walking to her trailer home in a sparsely inhabited section of Montgomery County—

Just across the District line—

She said she heard him creeping through tall grass which bordered the road and got her tear-gas pen ready. He snatched at her arm

and cried, "Gimme that pocketbook, white woman," Mrs. Burrus said.

Whirling, she discharged the tear gas directly in his face at less than 2 feet. The blast almost knocked him to the ground. He fled, bellowing curses and crying, "My God! My God! My eyes!"

Burrus, an employee of the Loughborough Oil Co. and a crack rifle shot, had given the pen to his wife. He said it carried an exceptionally heavy charge and would have effect at least 7 hours.

Samuel Gittleman, Takoma Park, Md., proprietor of a clothing store in the 1300 block Seventh Street NW., was the first robbery victim yesterday.

Gittleman told police a colored man was waiting at the store when he arrived. When he opened the door, Gittleman declared, the bandit followed him in and then stuck a pistol in his back, taking \$100 from the storekeeper's pocket.

What a commentary on American rights and constitutional guaranties right here in the District of Columbia!

Mr. DIETERICH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Illinois?

Mr. McKELLAR. I ask the Senator to pardon me for a moment.

Rufus Berman, colored, porter for a drug store at Seventeenth and I Streets NW., was robbed of \$100 by a man who snatched a money bag from Berman's hands.

The robbery occurred at noontime in the 1400 block K Street NW. Several pedestrians saw the daring snatch but were unable to apprehend the culprit.

Two small colored girls snatched the pocketbook of Theresa Phiefer, 230 East Capitol Street, while she was walking in the first block of Third Street SE. Miss Phiefer said the girls grabbed her purse and ran into an alley, where two older women were. All ran, she said. The purse contained \$14.

Louis F. Bradley, owner of a drug store at 701 Maryland Avenue NE., successfully fought off a young white man who attempted to hold up his store. Bradley said the man held his hand in his pocket as if he had a gun.

"This is a stick-up," Bradley quoted his assailant.

Bradley declared that he struck the man in the face, knocking him against a showcase. The bandit returned the punch and then fled empty-handed.

Yesterday afternoon Ellis and Ellsworth Tippet, young gunmen who blazed a trail of seven hold-ups in 35 minutes last week end, were taken over their route. In custody of Detective Sgt. Robert J. Barrett, who aided in their capture, the boys were brought face to face with their victims, whom they identified and who identified them.

The places visited were a gas station at Twenty-fourth Street and Benning Road NE., a filling station at Twenty-sixth Street and Oklahoma Avenue NE., and stores at 53 D Street SE., 319 First Street SW., 337 Third Street SW., and 831 Sixth Street SW.

And yet, with the splendid record which has been made by the State during the past few years, we are asked to turn over the crime of lynching to Federal authority for enforcement of law, when right here in the city of Washington we find these numerous violations of law—50 of them in 48 hours. I think it would be a travesty on law and order and decency to take this power away from the States, where the laws are being well administered, where crime is being lessened, and turn the power over to the Federal authorities, when crime is committed right here under the eaves of the Capitol at the rate of 50 crimes in 48 hours.

Mr. DIETERICH and Mr. CONNALLY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Louisiana yield; and if so, to whom?

Mr. ELLENDER. I yield first to the Senator from Illinois.

Mr. DIETERICH. Mr. President, if the Senator from Tennessee has finished his statement as to the police record in the District of Columbia during the past 24 hours, I merely wish to remark that I assume the Senator considers that that has a bearing on this bill; that we should abandon our police activities and turn over to lynchers the enforcement of the law.

Mr. McKELLAR. Oh, no; the Senator cannot assume that. I do not know what the Senator is going to assume, and I do not care, because he has already made up his mind that he is going to vote for this bill. What I want other Senators to do is to see how futile it would be to turn this greater but lessening crime over to the Federal authorities, who evidently are not doing their duty, certainly not in the past few days; and instead of criticizing the police for what they did yesterday and the day before in running down these criminals, I desire to compliment them for doing it, and I hope they will keep it up. They ought to keep it up.



Has the Senator anything else to ask? If he has, I shall be delighted to answer him if I know how.

Mr. DIETERICH. Mr. President—

Mr. ELLENDER. I further yield to the Senator from Illinois.

Mr. DIETERICH. I assumed that the Senator was putting that matter in the RECORD in order to show that lynchings should not be interfered with. I do not know any other reason for inserting it in the RECORD.

Mr. McKELLAR. In making that assumption the Senator makes an assumption contrary to the facts. I am putting these occurrences into the RECORD to show, not what the Senator says but quite the contrary. I am putting them into the RECORD to show that we would do a useless, a futile, and an asinine thing to turn over to Federal authority a law that is now being well administered by the States. I think the Senator understands that language.

Mr. DIETERICH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Louisiana further yield to the Senator from Illinois?

Mr. ELLENDER. I yield to the Senator from Illinois.

Mr. DIETERICH. I merely wish to admonish my friend from Tennessee, for whom I have the highest regard and the highest respect as a Senator, as he very kindly admonished me the other day, not to become excited, for fear some malady may overtake him.

Mr. McKELLAR. I am not excited, but I am very determined about this matter.

Mr. DIETERICH. I hope the Senator will keep his equilibrium and not become excited about the matter. I hope he will not jeopardize his health and jeopardize the membership of the Senate by his enthusiasm. I say that merely by way of a friendly admonition.

Mr. McKELLAR. My health is very good and, in my judgment, it is likely to remain so. I thank the Senator from Illinois for his interest in it, but I am very much more interested in lessening the crime of lynching in this country than I am in appealing for colored votes in certain States where there are not so many colored people.

Mr. DIETERICH. Mr. President—

Mr. ELLENDER. I further yield to the Senator from Illinois.

Mr. DIETERICH. In reply to that statement, let me say that of course I realize that there are some colored votes in other States. In a State with 3,000,000 population which casts a total of 300,000 votes, evidently neither the colored nor the white people are permitted to vote.

Mr. McKELLAR. The Senator is entirely mistaken about that. He does not know what he is talking about in that respect, however much he may know about the value of colored votes in Illinois. He may have a very accurate knowledge about their value in his own State. I am not disputing that, but I say that in Tennessee the colored voters vote exactly as the white voters do. They have all the rights and privileges that the white voters have, and they exercise those privileges whenever they desire to do so.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from Texas.

Mr. CONNALLY. I was interested in the Senator's comparison between the administration of law here in the District of Columbia, under Federal supervision, and its administration in the States. I desire to call his attention to a newspaper clipping which shows that in the District of Columbia, which is not as large as the city of Baltimore, the amount of property which citizens here lost by theft in 1937 was very much greater than that lost by theft in Baltimore, and the amount recovered here was only about half the net recoveries in Baltimore. I should be glad if the Senator would call the attention of the Senator from Illinois to the clipping.

Mr. McKELLAR. I shall be glad to do that, with the permission of the Senator from Louisiana.

Mr. ELLENDER. I further yield to the Senator from Tennessee.

Mr. McKELLAR. The clipping referred to by the Senator from Texas reads in part as follows:

RECOVERED \$1,299,859 OF \$1,989,555 STOLEN HERE IN 1937

District residents were robbed last year of \$1,989,555 in cash and property, of which \$1,299,859 was recovered for a net loss of \$689,696—nearly twice as much as that suffered by their neighbors in the larger city of Baltimore—police records disclosed last night.

Jewelry and automobiles accounted for the largest amounts of property stolen and the largest percentage of recoveries. Automobiles valued at \$1,053,167 were reported stolen during the year. Of this amount, \$869,470 was recovered in the months the thefts occurred.

The important part of this article, as I understand, is that the total net amount lost by theft, \$689,696, was a great deal more than the amount lost by theft in the city of Baltimore.

A day or two ago I wrote to Mr. Hazen, the president of the Board of Commissioners of the District of Columbia, having charge of the suppression of crime here, and today I received a letter from him. I have not yet read it, having just received it, but I desire now to read it to the Senate:

GOVERNMENT OF THE DISTRICT OF COLUMBIA,  
EXECUTIVE OFFICE,  
WASHINGTON, January 17, 1938.

HON. KENNETH McKELLAR,

United States Senate, Washington, D. C.

MY DEAR SENATOR McKELLAR: In compliance with your letter of January 15, I am forwarding herewith the information you requested relative to murder and rape cases in the District of Columbia during the years 1934 to 1937, inclusive.

With my highest regards, I am,

Sincerely yours,

M. C. HAZEN,  
Commissioner, District of Columbia.

Now, I wish to read the record:

Murders in 1934: Indicted, 47; ignored, 16; suicides, 2; double murder, 1; pending, defendant unknown, 2; unsound mind, escaped from asylum, none. I see why that was in. Justifiable, none.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from Washington.

Mr. McKELLAR. Let me finish these figures.

Mr. SCHWELLENBACH. I merely wish to inquire about the second set of figures. What was the word before them—"ignored"?

Mr. McKELLAR. Ignored, 16 murders in 1934.

In 1935, 48 murderers were indicted, but 11 murders were ignored.

In 1936, 63 murderers were indicted, and 7 murders were ignored.

In 1937 there were 48 indictments for murder, and 16 murders were ignored.

I am going to publish the entire record; but before doing so I desire to speak of the second crime, rape.

Cases reported in 1934, 20; held for grand jury, 20; sent to prison, 9; put on probation, 2; ignored, 4; nolle-prossed, 1; dismissed, not guilty, 3; not disposed of, 1.

"Not disposed of!" Probably we need some more judges for the District of Columbia.

In 1935, 16 cases of rape were reported in the District of Columbia. Held for grand jury, 11; sent to prison, 4; put on probation, none; ignored, 3; nolle-prossed, 3; dismissed, not guilty, 1; not disposed of, none.

In 1936, 44 cases of rape were reported. Think of it, Mr. President, 44 cases of rape were reported in the District of Columbia in 1936, and only 14 persons charged with rape were held for the grand jury. Six were sent to prison, one was put on probation, two were ignored, one was nolle-prossed, none were dismissed as not guilty, four were not disposed of. Only 14 out of the 44 were even held for the grand jury.

In 1937 the number of cases of rape reported increased to 52. How many were held by the grand jury out of 52 in this District, under Federal jurisdiction, which it is now sought to have extended over lynching all over the country? Out of the 52 cases reported, only 20 persons were held for the

grand jury. I do not know whether chromos were given to the others, or what was done. I do not know whether they were rewarded for perpetrating the crime, or what happened; but only 20 persons were held for the grand jury in the 52 cases of rape reported. Four of the fifty-two were sent to prison; none were put on probation; 8 were ignored—8 of the 20 that were held for the grand jury. Out of 52 cases of rape, all told, 20 persons were held for the grand jury. Nothing was done with 32 of the 52; but of the 20 that were prosecuted, 14 cases were not disposed of, and 8 of them were entirely ignored.

Mr. President, I ask unanimous consent that this table of figures transmitted to me by Commissioner Hazen may be inserted in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table is as follows:

	Calendar years			
	1934	1935	1936	1937
<b>MURDER</b>				
Indicted.....	47	48	63	48
Ignored.....	16	11	7	16
Suicide.....	2	3	0	2
Double murder.....	1	0	0	0
Pending (defendant unknown).....	2	0	0	0
Unsound mind (escaped from asylum).....	0	1	0	0
Justifiable (coroner's inquest).....	0	0	0	1
Criminal court action on above cases:				
Committed to prison.....	34	25	36	10
Life imprisonment.....	3	3	1	0
Not guilty.....	3	10	7	4
Nol-prossed.....	2	5	2	1
Suicide.....	2	3	0	0
Unsound mind.....	3	0	2	0
St. Elizabeths.....	0	1	0	0
Fugitive, still at large.....	0	0	2	0
Death penalty.....	0	3	3	0
Not disposed of (pending).....	1	2	0	33
Number of murders committed.....	63	55	63	63
<b>RAPE</b>				
Cases reported.....	20	16	44	52
Disposition of cases closed:				
Held for grand jury.....	20	11	14	20
Sent to prison.....	9	4	6	4
Probation.....	2	0	1	0
Ignored.....	4	3	2	8
Nolle prossed.....	1	3	1	0
Dismissed, not guilty.....	3	1	0	0
Not disposed of (pending).....	1	0	4	14

<sup>1</sup> 52 cases reported for the entire year, but dispositions of cases only include Jan. 1 to Sept. 30, 1937.

Mr. ELLENDER. Mr. President, I am glad the Senator from Tennessee has brought to the attention of the Senate a record of this crime wave which seems to be prevailing in Washington at this time.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. McKELLAR. The Senator speaks of the crime wave as if it were a thing which has just happened. It has been plaguing this city for years. There now seems to be a wave of enforcement, and I am heartily in favor of it. I wish to commend the police for their vigilance and activity in the last few days.

Mr. ELLENDER. I called it a "crime wave" because it was so referred to by the newspapers, I believe. I may be mistaken about that. I had noticed the newspaper references to it this morning, and had intended mentioning it. In connection with that, I desire again to bring to the attention of the Senate a comparative statement as to crime in the city of New Orleans and in the city of Washington, which I have discussed on two other occasions before the Senate.

This statement shows that in 1935, with the population of New Orleans almost the same as that of Washington, with the percentage of Negroes about the same in each city, 28 percent in the case of New Orleans, and 27 percent in the case of Washington. With that small number of Negroes in these two cities, the arrests for crime were almost twice as great in 1935 in the city of Washington as in the city of New Orleans.

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As I have pointed out, the number of arrests for crime in the city of New Orleans in 1935 was 1,527. In the city of Washington during the same year there were 2,985 cases.

In the city of New Orleans the colored folks were charged with violating the law 735 times, charged with the crimes of murder, manslaughter, rape, robbery, aggravated assault, burglary, larceny, auto theft, whereas in the city of Washington for the same year, with practically the same percentage of Negro population, there were 2,004 cases. I repeat, in the city of New Orleans there were 735 and in the city of Washington 2,004.

Mr. President, these figures show conclusively that the people of the South do understand the Negro problem better than do those of the North, and that if the pending bill should become a law and the Federal Government should be called upon to go South and deal with the crime of lynching, since it has not been able to cope with the situation in Washington, here under the dome of the Capitol, in the shadow of Washington's Monument, how can we expect the authorities of the Federal Government to correct the situation in the South? It will make a more dismal failure in the South than it has made in Washington.

Again, referring to the table for 1936, the total number of people who were charged with murder, manslaughter, rape, robbery, aggravated assault, burglary, larceny, and auto theft aggregated 1,471 in New Orleans, of which 718 were attributable to Negroes and 753 to whites.

Now let us turn to the statistics as to Washington. As I stated a while ago, Washington is being governed under laws made by the Congress, which do not extend any further than the bounds of the District of Columbia. Let us turn to the statistics for 1936 and draw our conclusions. I repeat, in New Orleans the total number of cases was 1,471 against both whites and blacks, 753 against whites, 718 against blacks, in that city, with 28 percent of the entire population Negro. Here in Washington, with the same percentage of Negroes to whites, as I have repeatedly pointed out, with hardly any difference between the two cities, there was a total number of cases in the city of Washington for the year 1936, for the same crimes, of 3,587, compared with 1,471 in the city of New Orleans. Of the 3,587 in Washington, 2,810 of the cases were against colored people, as compared to 777 against whites. In other words, the ratio was 4 to 1. Yet some Senators feel that they desire to send the big arm of the Federal Government into the South to tell us how to prevent lynching. I say that the Federal Government has made a failure of law enforcement in the city of Washington as to Negroes, and I can see it written on the wall that this failure will be even greater in the South than it has been here.

Mr. President, I ask leave to have printed in the RECORD at the end of my remarks the table to which I have been referring.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit A.)

Mr. ELLENDER. Mr. President, when I was interrupted by the Senator from Tennessee I was about to begin to show, by reference to the pages of history, what has happened to certain civilizations dating some 4,000 years before the coming of Christ; and I will start with Egypt. I wish to read to the Senate from a book entitled "Race or Mongrel", of which I read chapter II yesterday.

Mr. DAVIS. Mr. President, who is the author of the book?

Mr. ELLENDER. Alfred P. Schultz is the author. There are many who agree with his viewpoint. I have the statements of many of them here, but I do not wish to impose unnecessary references upon the Senate. I merely desire to draw the attention of the Senate, in as few words as possible, to my contention, and to back it up with facts similar to those which have been and are now confronting our American civilization.

Now I refer to the volume of which I have spoken. As I stated yesterday, chapter II deals with the mongrelization of races as a whole, and states certain conclusions as to what



would result in the event of the amalgamation of the Negro and white races. I stated yesterday that this book deals particularly with certain races, and I shall read another chapter from the same book relating solely to Egypt, and I hope that the Senate will bear with me. I read from chapter VII, page 29:

It is not known to which stock the Egyptians belonged. Sir Gardner Wilkinson and Conte de Gobineau think that they were a branch of the Hindus.

Later on in the course of my argument I expect to read a chapter with reference to the Hindu race, because the Hindu race marked the beginning of civilization in India, and the same purpose will be served by reading the chapter in this book dealing with the Hindu race; and it will be applicable both to the Egyptian division of that race and to the white inhabitants of India. I propose to deal with those two nations principally and mention incidentally, but not in detail, other nations.

Sir Gardner Wilkinson says: "In manners, in language, and in many other respects Egypt was certainly more Asiatic than African; and though there is no appearance of the Hindu and Egyptian religion having been borrowed from one another, yet it is not improbable that those two nations may have proceeded from the same original stock and have migrated southward from their parent country in central Asia."

That is a quotation from Sir Gardner Wilkinson.

Others have maintained that the Egyptians were a Hamitic race. Sir Henry Rawlinson states that the Chaldeans and the Egyptians were of a common origin. It is the opinion of Lepsius that the early Hamites crossed the straits of Bab-el-Mandeb, occupied the upper Nile Valley, and later planted colonies in lower Egypt. Sir Gardner Wilkinson says that civilization advanced northward from Thebaid. The hieroglyphic inscriptions prove that the cities of Upper Egypt were the oldest in the country, that civilization came from the south.

Whether they were of the Hamitic stock or of the Aryan stock we do not know, but we do know that they were a white people.

I propose later to cite other references to show that there is no doubt that the early Egyptian civilization was a white civilization.

Mr. SCHWARTZ. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. SCHWARTZ. The Senator is no doubt an able ethnologist, and I ask him if he does not agree that the early civilization of Athens, and of Crete, and of Carthage, and all down the line, was that of what is termed the Mediterranean man?

Mr. ELLENDER. The Senator flatters me when he refers to me as an able ethnologist. I wish I were. I will try to answer the Senator's question. There seems to be a little difference of opinion on that question, I will say to the Senator. Some authorities state that there was a considerable amount of immigration of the Mediterranean race into that section, but there is no doubt that the early Egyptian civilization was white. There is no doubt about that. As to which branch of the Caucasian race inhabited Egypt there seems to be some conflict.

The point I desire to make and to establish by historical facts is that the Egyptian civilization at the beginning was white, and progressed along scientific and economic lines and in every other way. However, when the Pharaohs began building the famous pyramids, when the Sphinx was built, it became necessary to obtain slave labor, and the Egyptians did at that time obtain this labor from Ethiopia, from farther south in Africa. As a matter of fact the records show that many slaves came from those sections and at an early date populated the Egyptian country. As time went on the colored people who came from Ethiopia, who were brought, I state to the Senator from North Carolina [Mr. REYNOLDS], from regions farther south in Africa, and who helped to build the pyramids and the Sphinx, amalgamated with the Egyptian race, and within about 12 centuries or more the races had so intermixed that a mulatto ruled as the head of the Egyptian Government. When the Persians conquered Egypt they thought they had acquired a valuable possession, but they were mistaken, for the civilization of Egypt had degenerated by reason of the mongrelizing of the

country. Egypt had at its head a half-caste and was in the hands of mongrels widely removed from pure Egyptian types.

Mr. President, such a catastrophe will not happen to our country in my life nor in the life of the Senator from Pennsylvania [Mr. DAVIS], but during my lifetime it is my sincere desire to do all I possibly can to prevent such a condition from ever coming to pass, whereby our civilization shall become degraded to the point of Egypt's by reason of the amalgamation of the Negroes and the whites.

Mr. SCHWARTZ. Mr. President, will the Senator again yield?

Mr. ELLENDER. I yield.

Mr. SCHWARTZ. It is the theory, is it not, of both authors from whose books the Senator has been reading, that that same sort of amalgamation resulted in the fall of each successive civilization of the Mediterranean man as he came west?

Mr. ELLENDER. I would not say that.

Mr. SCHWARTZ. The Mediterranean man was mongrelized at one place, and then he moved on and he was reclaimed, and then he was again mongrelized, and later reclaimed, and then he came to the limit of the land, to the seashore, and where did he go then?

Mr. ELLENDER. I will say to the Senator that I have not made a careful study of the Mediterranean man, but if the Senator is interested, and if the Senate is interested in that subject I promise that the next time I shall speak on this bill I shall gladly go into details on that subject, and for the Senator's benefit and for the benefit of other Senators, trace the history of that race.

The point I desire to make now, I will say to the Senator from Wyoming [Mr. SCHWARTZ] is that the Egyptian race, according to the best historical authority, was originally white.

Mr. REYNOLDS. Mr. President—

The PRESIDING OFFICER (Mr. SCHWARTZ in the chair). Does the Senator from Louisiana yield to the Senator from North Carolina?

Mr. ELLENDER. I yield.

Mr. REYNOLDS. I surmise that the Senator from Louisiana has recently read that very interesting book, the author of which is our colleague, the Senator from Pennsylvania [Mr. DAVIS] the title of which is "Immigration." That book deals very remarkably with the subject of immigration. I observe that the Senator from Louisiana has discussed that matter so carefully and creditably that I feel he probably has familiarized himself very thoroughly with the contents of that most valuable volume to which I have just referred.

Mr. ELLENDER. Did I understand the Senator from North Carolina to say that the Senator from Pennsylvania was the author of a book on immigration?

Mr. REYNOLDS. He is the author of a book on immigration; and of all the books I have read pertaining to that subject, I believe I can say, without attempting flattery, that it is one of the most interesting and one of the most informative and best prepared volumes upon that subject I have ever read. I readily observe that the Senator from Louisiana is thoroughly familiar with matters pertaining to immigration in Egypt, but I am sure he would be provided with somewhat additional information if he could be so fortunate as to lay his hands on the volume I have just mentioned. I will say that I have a copy of that book and shall be glad to let the Senator have it for a short while.

Mr. ELLENDER. I am sorry to confess that I really did not know that the Senator from Pennsylvania [Mr. DAVIS] was an author and that he had written a book on immigration, but I say to him now that I am going to take that book home tonight and read it.

I continue, Mr. President, to read from this volume to which I referred a few moments ago, on page 30:

Whether they were of the Hamitic stock or of the Aryan stock we do not know, but we do know that they were a white people. We do know that very early they had reached a high degree of civilization. The pyramid of Memphis was built (c) 2120 B. C. They made considerable progress in astronomy—

Senators, kindly listen to this—

and their observations and their appliances prove their knowledge of that science. They were great architects. Medicine, surgery, and chemistry were studied. In the manufacture of linen they were never surpassed. Their glass was little inferior to that of the Greeks. Their art was dignified.

I am now referring to the early Egyptian civilization, before it became mongrelized, as I shall proceed to show later, and I propose to prove that when it became mongrelized this civilization that was of Egypt, a fine civilization, went down to decay. I do not want that to happen to America. That is my interest in this matter.

The Government was monarchical, but not despotic. Women could reign. The Egyptians, like the Hindus, had a caste system, although it was not as well developed as that of the Hindus, and not efficient in preventing the intermarriages between the Egyptians and the other inhabitants of Egypt. Intermarriages, however, before the invasion of the Hyksos were rare.

According to the "Recherches anthropologiques en Egypte" of Ernest Chantre, who examined the graves of the different periods, the old Nilotic Egyptians show no trace of Negro blood. The skulls are dolichocephalic, with an index of remarkable uniformity (72-73). When the Hyksos came there was a great infusion of Syrian blood, a greater quantity than could be absorbed, and the mummies of this time show the signs of it. The uniformity of the skull index no longer exists, negroid characteristics are found.

The pan-white mongrel no longer holds his blood sacred, he intermarries with the colored races. Nothing disgusts him. Promiscuity becomes common, and as the mongrelization proceeds the faces become broader, the ears bigger, the cheeks protrude, nose and lips become thick.

As the mongrelization advanced the civilization of Egypt became stagnant and gradually decayed. Historians tell us that the present degraded state of the Egyptians is due to the rule of the Turks. Again they tell us that no cause can be assigned for the decay of Egypt, and that it began before 1300 B. C. And again they tell us that the stagnation and the decay of Egypt was caused by the priests. Why not by the cats or by the crocodiles? Why not by the last solar eclipse?

No constitution can be indefinitely upheld that is utterly out of sympathy with the sentiments and abilities of the people. Priests have been powerful elsewhere and civilization progressed. Moreover, the priests of antiquity were themselves the astronomers, investigators, scientists, writers, and artists. True, the Egyptian priests formulated rules, codes, laws, canons of art and of almost everything else. This they probably did because they recognized that the Egyptians were no longer the Egyptians of old. Those of old had been creators. The priests were anxious that the new Egyptians, having no originality, should at least remain good copyists; they overestimated the abilities of the mongrel.

The stability which they intended to give to Egyptian civilization went into stagnation and fell into decay. Soon the mongrel was no longer able to fight his own battles, and Greek mercenaries preserved the independence of Egypt for some time. When Artaxerxes III of Persia marched against Egypt, the only resistance offered was by the Greeks, while the Egyptians fled everywhere; the king, Nekht-nebf, to Ethiopia, 340 B. C.

That is at the time that they were headed by mulattos, who had succeeded the white Pharaohs, who reigned in the country's early history.

The degeneration of the Egyptian religion gives a picture of the degraded state of mind of the Egyptian mongrel. The early religion of the Egyptians was a monotheism. Their writings speak of one god, the creator of heaven and earth. The local divinities were mere personifications of the attributes of God. The papyrus of Ptah-hotep, composed under Dynasty V, speaks of God, showing that the writer had the idea of one god. What did this religion become in time? Julius Africanus tells us that, in the reign of Kaiechos, it was established that the bull and the goat were gods. Later the Egyptians became infatuated and worshipped the cat, the bug, and eventually vegetables.

Juvenal writes (Saturn XV): "Who knows not the sort of monsters Egypt in her infatuation worships? One part venerates the crocodile, another trembles before an ibis gorged with serpents. The image of a sacred monkey glitters in gold, where the magic chords sound from Memnon broken in half, and ancient Thebes, with her hundred gates, lies buried in ruins. In one place they venerate sea fish, in another river fish, there a whole town worships a dog—no one Diana. It is an impious act to violate or break with the teeth a leek or an onion. O holy nation! whose gods grow for them in the gardens. Every table abstains from animals that have wool. It is a crime there to kill a kid, but human flesh is lawful food. Were Ulysses to relate this at supper to the amazed Alcinoos, he would perhaps excite the ridicule or anger of some as a lying babbling. \* \* \* Does he suppose the heads of the Phaeacians so void of brain?"

What deterioration! What degeneration! What perversion! A faith in accord with the vitiated Pan-Hamitic-Semitic-Greek-Egyptian-Negro blood.

The mongrel was worthless, and he has remained so ever since.

That concludes the chapter of the book dealing with mongrels as a whole and specifically applying to the Egyptians.

#### EXHIBIT A

Data from police records of cities of Washington, D. C., and New Orleans, La., showing arrests for certain crimes, as between whites and Negroes, years 1935 and 1936

	1935			1936		
	Whites	Colored	Total	Whites	Colored	Total
City of New Orleans:						
Murders.....	22	26	48	23	24	47
Manslaughter.....	27	10	37	14	5	19
Rape.....	7	11	18	9	11	20
Robbery.....	52	29	81	57	40	97
Aggravated assault.....	107	111	218	108	122	230
Burglary.....	119	131	250	142	165	307
Larceny.....	427	399	826	375	339	714
Auto theft.....	31	18	49	25	12	37
Total.....	1,792	1,735	3,527	1,753	1,718	3,471
City of Washington:						
Murders.....	19	53	72	17	42	59
Manslaughter.....	29	15	44	6	6	12
Rape.....	9	13	22	5	9	14
Robbery.....	163	359	522	212	644	856
Assault.....	105	313	418	78	296	374
Housebreaking (burglary).....	301	916	1,217	297	1,465	1,762
Larceny.....	209	330	539	149	348	497
Auto theft.....	146	5	151	13	-----	13
Total.....	1,981	2,004	3,985	1,777	2,810	4,587

<sup>1</sup> About even.

<sup>2</sup> Over 2 to 1.

<sup>3</sup> Almost 4 to 1.

Population, Washington, D. C., and New Orleans, La.

[Figures furnished by Dr. Truesdell, Chief of Census Bureau; taken from 1930 census]

	Washington	New Orleans
Total population.....	486,869	458,762
Negro population.....	132,068	129,632
Percentage of Negro population to total.....	27	28

Mr. CONNALLY. Mr. President, will the Senator yield to me for just a moment?

Mr. ELLENDER. I yield.

Mr. CONNALLY. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SCHWARTZ in the chair). Does the Senator from Louisiana yield to the Senator from Texas for that purpose?

Mr. ELLENDER. No; I do not yield for that purpose.

Mr. CONNALLY. I withdraw the request for the moment.

#### THE TENNESSEE VALLEY AUTHORITY

Mr. BRIDGES. Mr. President—

Mr. ELLENDER. I yield to the Senator from New Hampshire.

Mr. CONNALLY. Mr. President, will the Senator from New Hampshire yield to me?

Mr. BRIDGES. I yield to the Senator from Texas.

Mr. CONNALLY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll. The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Hitchcock	O'Mahoney
Andrews	Connally	Holt	Overton
Ashurst	Copeland	Johnson, Calif.	Pepper
Austin	Davis	King	Pittman
Bailey	Dieterich	La Follette	Pope
Bankhead	Donahey	Lewis	Reynolds
Barkley	Ellender	Lodge	Russell
Berry	Frazier	Logan	Schwartz
Bilbo	George	Lundeen	Schwellenbach
Bone	Gibson	McAdoo	Sheppard
Borah	Gillette	McCarran	Shipstead
Bridges	Glass	McGill	Smith
Brown, Mich.	Guffey	McKellar	Steiwer
Brown, N. H.	Hale	McNary	Thomas, Okla.
Bulkeley	Harrison	Maloney	Thomas, Utah
Bulow	Hatch	Minton	Tydings
Capper	Hayden	Neely	Vandenberg
Caraway	Herring	Norris	Van Nuys
Chavez	Hill	Nye	Walsh

The PRESIDING OFFICER. Seventy-six Senators having answered to their names, a quorum is present.



Mr. BRIDGES. Mr. President, I have asked for the floor at this particular time to discuss a very timely subject. I wish to have it distinctly understood that I am not participating in the debate which has been going on upon this floor for some time; but I am about to speak on a subject of vital interest to the country, a subject which is extremely important at this time, a subject of vast moment all over the Nation today.

Today, the President of the United States is holding a conference with two members of the Tennessee Valley Authority. Tomorrow the Governors of the New England States have been invited to come to Washington to meet the President. Recently, charges and countercharges have been made by representatives of utilities, by representatives of the general public, by Members of this body, and by Members of our associate body at the other end of the Capitol, relative to the future policy of T. V. A. in this Nation.

I have chosen as my subject today Has the T. V. A. Betrayed Its Trust? Is the Federal Administration Two-faced? I shall conclusively prove to the Senate, first, that the T. V. A. has betrayed its trust, and, second, that the present Federal administration is two-faced in its attitude toward the huge trusts and monopolies in the Nation today.

HAS THE T. V. A. BETRAYED ITS TRUST—IS THE FEDERAL ADMINISTRATION TWO-FACED?

Since the beginning of the special session industry throughout the United States has slowed up, and there has taken place what the administration chooses to call a "recession in business." Whatever are the various nostrums suggested as the cure for what is rapidly turning into a "depression," and whether or not these cures are being used, it is not my purpose to discuss at this time. Various persons in industry and in the Government have suggested both reasons and cure for this "recession." Business, on the one hand, has claimed among other things that the reason for the "recession" is maladjustment of taxes, Government interference, labor troubles, and the threat of inflation or other upset of our financial system. The spokesmen for the administration, on the other hand, have loudly cried from the forum, into microphones, in opening-day addresses, and at Jackson Day dinners, that one of the major causes of our troubles is monopolies—not all monopolies, perhaps, but just some monopolies.

The avowed intention of the President was to raise wages, lower prices, and, above all, "not to let the people down." Since these worthy objectives have been the subject of wild popular acclaim, it seems to me that the beginning of a new session of Congress, whose intention it is not only to end the things which have caused our depression but to prevent a recurrence of such a state of affairs, is the time to consider what is going on behind the scenes. If we are to approach this problem sensibly; if the wild accusations of Robert Jackson and Harold Ickes are to be given serious thought; if these bad monopolies, these so-called vicious utilities, are the key; then, before anything can be done, the Federal Government, the Congress, and the administration must approach the problem from a logical point of view. The administration cannot blow hot and cold at the same time.

If there has ever been a perfect example of blowing hot and cold at the same time, it is today and yesterday and the day before in the attitude of the national administration toward the depression and toward industry and business. The administration cannot have persons high in authority asking for more and more power to be vested in a centralized government and damning the trusts on the one hand, while on the other hand it takes advantage of the very same trusts and so-called monopolies to foster continuance of some of its own corporations. Therefore, it is my intention to bring before the Senate what is to me a startling revelation, which to the public can mean only that the Federal Government today is a double-headed monster.

Is the Federal Government, with full knowledge of the administration, supporting, aiding, and abetting public-utility monopolies on the one hand, while its spokesmen attempt to bring down the roof of public wrath on the heads

of these utilities on the other? From the studies I have made of a certain situation existing in a well-known and highly advertised Federal power project, and from reading of the intention of the President to promote public ownership in fields of public utilities to do away with vicious practices said to exist in the field of private utilities, I have come to the conclusion that the Tennessee Valley Authority has betrayed its trust, and that the New Deal administration is actually two-faced in its attitude toward business and in its action toward speeding up national recovery.

When the T. V. A. was established I watched with real interest, for one of the aims of the Authority was to lower the cost of light and power to ordinary citizens and to provide a Government yardstick by which the costs of electricity could be measured. These aims and objectives were worthy. Naturally, in the growth of the Authority, controversies developed between it and the power companies. Such controversies were inevitable under the circumstances. Many of the arguments I viewed at the time as mainly technical. Perhaps the T. V. A. was or was not living up to the original conception of the type of yardstick to be used; but, at any rate, I thought it was true to its trust. I thought it was making electricity available to ordinary citizens—the plain people, the forgotten men about whom we have heard so much. I assumed that it was serving the people and not any special interests. So I assumed, after the first few months of the setting up of the T. V. A.—and so, I believe, did most of the Members of this body—that it would be true to its trust, and I did not investigate very deeply into the activities of the T. V. A. Other problems crowded for consideration. The T. V. A. could, I thought, be trusted to fulfill its function, to throw light into the darkness of the utility jungle.

Last summer, however, when the President of the United States proposed the creation of seven regional authorities somewhat similar to the T. V. A. by a measure better known as the little T. V. A. bill, and then when the administration made a right about-face on the New England flood compacts—which, in my judgment, was a complete betrayal of the signatory States of New England—I took advantage of the recess of Congress to study into the T. V. A. situation. I decided to catch up on its activities, and to look into all of them. I knew it was producing power, and I knew it was selling it, that it was a going concern. But who were its customers, and how was it selling power to its customers? I looked up a few details.

My first look suggested the need for more careful studies. And these I made.

The result was amazing. In brief, it was this: The Authority was selling a great bulk of its power not to the forgotten men but to great corporations, the same type of corporations which the administration was damning. They, and not the plain people, the people of the Tennessee Valley, were securing the benefits of the T. V. A.

Mr. McKELLAR. Mr. President, will the Senator yield at that point?

Mr. BRIDGES. I prefer not to yield until I finish my remarks, if the Senator will pardon me. Then I shall be glad to yield.

I had hoped that the Authority was selling that power to groups of citizens, not to corporations; but I found this was not the case. It was enriching not alone the people of this area but some of the wealthiest stockholders in the country. Its great source of electric energy was, in effect, not alone helping to build up farms along the Tennessee Valley but helping to build swimming pools in Hawaii for the extremely wealthy, and great yachts for wealthy multimillionaires in which to cruise upon the seven seas. The multimillionaires, the great stockholders of the largest corporations in the country, have been the chief beneficiaries of T. V. A.

Even in the case of sale of its power to a privately owned company, I found that the Authority had not insisted upon reduction in rates to ultimate consumers. The Authority was not passing the benefit of its low power rates to the general public. It was not even forcing the other contracting party to state its resale rate to the general public. It had

contented itself with a pious hope expressed by the utility company and reliance on possible future activity by the Arkansas State Utilities Commission.

I found, in brief, that the T. V. A. had arbitrarily sold out and contracted away the investment of taxpayers' money, not to further a social purpose but to benefit a few corporations, and large ones at that; the same type of corporations that the President of the United States and administration spokesmen have been damning and blaming for current conditions in this Nation; and how was this done? It was done through contracts entered into and duly signed by the Board of the Tennessee Valley Authority.

I desire to say in passing that if there is any question about any statement I make in this speech, I welcome the investigation which the Senator from Nebraska [Mr. NORRIS] asked in this body, or which Representative MAY asked in the House of Representatives, or an independent investigation, because the facts will be proved.

The most important of these contracts were made with four large industrial concerns and one public utility company. The contracts to which I refer are:

(1) A contract dated May 15, 1936, between the T. V. A. and the Monsanto Chemical Co.

(2) The contracts with the Aluminum Co. of America, dated July 17, 1936, and July 7, 1937.

Mr. Cummings, the Attorney General of the United States, is asking for a million dollars to "bust" trusts. The United States Government has suits pending against the great Aluminum Trust. It is said to be a great, wicked monopoly, a so-called trust; yet, on the other hand, the United States Government is making private contracts with the Aluminum Co. of America, the significance of which I shall disclose to the Senate further on in my remarks.

(3) A contract with the Electro-Metallurgical Co., a subsidiary of the Union Carbide & Carbon Corporation, dated August 23, 1937;

(4) A contract dated July 21, 1937, with the Victor Chemical Works; and

(5) A contract dated June 16, 1937, with the Arkansas Power & Light Co.

I ask Senators to note that all of these favored industrial corporations are giant concerns. I am not blaming them for that, because I recognize that size is not a determining factor between good and bad. There are some good big corporations and some bad big corporations, and some good and some bad small businesses and individuals. But it is interesting to note that the T. V. A. in its apparently innocent releases regarding these contracts was very casual, and did not exactly stress the size of the industrial customers, or much of anything. Indeed, the releases sent out by the Authority on this subject must have been prepared by a wholly different group of publicity scribes than that which usually answers the beck and call of the Authority.

We are used to hearing from executive agencies of the Government that large aggregations of capital are unfriendly to the interest of the people, but in this case there was no mention of that usual refrain. There was just a factual statement regarding the contracts. There was no comparison of the amount pledged to these industrial corporations with the amount of power provided to municipalities and cooperatives.

The implications in these contracts were left out; the failure of the T. V. A. was neither admitted nor explained. It is a failure for that Government agency so to have overextended its power facilities that in order to dispose of its power it had to pledge to a few large industrial concerns four times as much as the municipal and cooperative load; and it is worse than failure for the T. V. A. to fall so from its high purpose that it ends only by peddling the people's power to a few giant industries.

Under these contracts the T. V. A. pledged to these industrial corporations not less than 91,000 kilowatts of firm power. The T. V. A. has been going now for 4 years, and in the electrical field its purpose was to serve municipalities and cooperatives. Yet at the end of 4 years its load for municipalities

and cooperatives is only 23,000 kilowatts of power, while it pledges four times that amount by private contracts with four favored corporations. Do Senators know what 91,000 kilowatts of firm power actually represents? Just multiply 91,000 times 24 times 365, and you get the figure 797,160,000 kilowatt-hours, which is more than enough to light every street light in the United States, run every street-car, every interurban car, and every electrified railroad a full month.

These contracts cover more than a disposal of firm power. I have not even mentioned the secondary power which is pledged under these contracts, but there is such power to the extent of 120,000 additional kilowatts.

Secondary power, so-called run-of-the-stream power, need be made available only 300 days out of 365. Ordinarily, therefore, secondary power is not something on which a purchaser can count as he can on firm power. But it may well be that the situation is different here. For if the T. V. A. continues to build its facilities, as it has in the past 4 years, far ahead of its municipal and cooperative load, this secondary power may well be available practically all the time.

Therefore, not only has the T. V. A. pledged to four corporations four times as much firm power as it is now providing to the plain people, the municipalities and cooperatives in the area, the forgotten men, but there is the excellent possibility that these four companies may be able to count on getting annually from the T. V. A. 1,750,000,000 kilowatt-hours of energy—no small amount—since this is more energy than is produced by all private and public utilities in any one of 30 States. We have heard much said of the T. V. A. acting as a competitor with private companies, but here we see that as a result of these favorable contracts private utilities are relieved of just the amount of competition in the electrical field they are able to purchase from T. V. A.

What I have said does not exhaust the benefits which these corporations get out of these contracts, for under the contracts they also have the right, on 1 year's notice, to cancel, the cancellation to be effective 5 years from the date of the contract. Therefore, if in the next 5 years these corporations find that they can produce chemicals with fuel-fired furnaces more cheaply than they can with electric furnaces, they can get out from under these contracts without any loss of capital investment. Incidentally, it has been stated that in recent years, technological advancement has increased the efficiency of coal some 400 percent, while hydroelectric power efficiency has remained stationary. The United States Government, and the taxpayers of the United States, through the arbitrary generosity of the T. V. A., are carrying the corporations' investment for them. Yes, the very Government which is daily harping about big, bad business, about chiselers, about Lord Macaulays, about economic royalists, and about one thousand and one other bugaboos which are causes of high prices, low wages, and the existence of the underprivileged third, calmly, quietly, and with no public announcement accepts the investment risk of corporations of the very kind which it throttles on the public platform.

Consistency, thou art a rare jewel! This is one of the rarest instances of inconsistency I have ever been privileged to witness. Naturally men in high places, if they know about what is happening, hesitate to speak of it; but it is time it is understood and that the people know what was going on. Naturally this power was sold at a price; it was not given away. But was it by sale to purchasers such as these large corporations that the friends of the T. V. A. expected it to benefit the communities in that area? I do not think so.

I do not believe there were many Members of the Senate who, when they voted for the establishment of the T. V. A. or for the appropriations to support it, did not honestly think that the T. V. A. was going to benefit the people of the Tennessee Valley alone and not benefit the huge corporations of this country, with wealthy stockholders who own private yachts sailing the Caribbean and other seas. But that is what has happened, and it is time the facts were brought to light.



The entrance of the T. V. A. into the business of selling light and power was justified by the need of applying a Government yardstick to prices of electricity, but the theory behind the yardstick operations had nothing to do with sales to large industrial concerns. It had to do primarily with light and power for residential and farm uses—for private citizens, represented by municipalities and cooperatives.

The theory behind the Government's entering into the light and power business was that for years residential rates charged by the utilities had been too high; that the private citizens had been exploited.

The indignation of those who embraced this theory arose largely from the fact that public utilities were monopolies, holding exclusive franchises in certain areas. Therefore the customer had nowhere else to go should he resent the high rates charged by the utility company serving the area in which he lived. For residential business, in other words, the utilities faced no competition. Therefore it was in this branch of their business that a Government yardstick was deemed essential by the sponsors.

I do not believe the men who sponsored the T. V. A. here and supported the appropriations realized what was going on or realize what has gone on. I feel that they will be just as shocked as I am when the facts are revealed.

Of what use is a yardstick in the industrial side of the business of the utilities? Arguments in its favor do not exist. Utility companies cannot possibly exploit industrial clients. Utility companies have no monopoly in selling power for industrial purposes. They face a competitive situation continually, because industries which are adequately financed can, if they object to the rates offered by a utility company, resort to building their own power plants. There are thousands of such in the United States today. Each one of the three industrial corporations with which the T. V. A. has signed contracts was fully able, if it could not get satisfactory rates from the utility companies, to provide its own energy by building its own power plant. As I have stated, utility companies cannot possibly exploit industrial clients, T. V. A. or no T. V. A. Therefore, if there is to be exploitation, it is to be at the expense of the consumer of small quantities of power, the small storekeeper, the farmer, and the housewife, the ones who need heat and light. They are the people who are exploited; they are the ones for whom the yardstick was supposed to be set up; they are the ones who are forgotten today.

It is not industry which has supported the idea behind the T. V. A. and the yardstick service. They had nothing to gain from that system. Yet they are the gainer under these contracts. Of the hundreds of millions of dollars which the Government is investing in the power facilities of the T. V. A., four industrial corporations and one utility company are the largest beneficiaries. Let me show just how much they benefit. Four great industrial concerns, four giant corporations in this country, and one great utility company, the leading man in which is friendly with the powers that be, are the beneficiaries, not the plain people, not the people for whom the yardstick was intended.

Let us take that great corporation, the Aluminum Co. of America, with which the United States Government is today in a battle. Let us see how it benefits. The Aluminum Co. of America is saving by its contract with T. V. A. perhaps \$400,000 a year, plus an additional indefinite sum.

What the chemical companies are saving can be imagined from the fact that, thanks to the T. V. A. contracts, their cost of power will be 31 percent less than they would have to pay in Tacoma; 43 percent less than they would have to pay in such large cities as Buffalo, Cleveland, and Los Angeles; 51 percent less than they would have to pay in Pittsburgh, Charleston, Detroit, and Chicago; and 61 percent less than they would have to pay in Newark, St. Louis, Milwaukee, Philadelphia, and Cincinnati.

I think at this point it might be well to note another bad feature of these contracts. Is not this cheap power an invitation to industry to move from areas such as I mentioned above? This feature was brought out in the hearings before

the subcommittee of the Committee on Appropriations on the independent offices appropriation bill for 1939. It was stated by Congressman DIRKSEN that a most important question was whether through the development of cheaper power the Tennessee Valley Authority is inviting industry from other areas so that at some time, when this development is completed, by reason of the necessity of meeting this competition, industry will have to move into the areas served by the T. V. A., and the result will be the closing down of plants in other sections and throwing more men out of employment, necessitating an adjustment in employment as well as location of industries. The result will be the closing down of plants in New England, in the Middle West, and in the South.

Remember, these rates for industrial power in these cities are competitive rates; they represent the cost of power, whether bought from a utility or supplied by the corporation itself.

To get down to figures, take the Aluminum Co. Under its contracts with the T. V. A. it has the right to 876,000,000 kilowatt-hours at the price of \$2,174,000; that is, on the basis of a continuing demand—on the basis of a 100-percent load factor. Assume a 90-percent load factor, which reduces the kilowatt-hours and the cost by 10 percent, the cost works out at 2½ mills per kilowatt-hour. In testifying before the House Military Affairs Committee in 1936, the Aluminum Co. stated that the average cost of power at its plants in New York State, Pittsburgh, and Tennessee was 3 mills per kilowatt-hour.

Half a mill is not much, but multiplied by seven-hundred-and-eighty-eight-million-odd it is just about \$400,000 a year. But, besides that, the Aluminum Co. is not bound to even that rate. As I have said, if it finds in the next few years that fuel-fired furnaces are cheaper still, it can cancel these contracts. It has risked no capital in electric plants. T. V. A.—a generous Government authority—has carried the investment for it.

Taking these industrial contracts together, they involve—with a 90-percent load factor—1,750,000,000 kilowatt-hours. The average price for all is about 2½ mills per unit, a saving of at least one-half a mill over what it would cost these companies to buy power from other sources or to generate it themselves. So the companies can save a total amount of not less than \$875,000 annually, while the taxpayers of the country carry the investment in the T. V. A.

If you were a company manager and could save your company this amount annually by a power contract, would you not attempt to do so? Certainly you would. Particularly if you represented a corporation, like some involved here, where because of methods of fabrication power cost is such a high percentage of total cost; and particularly when you could get it by talking to two men—the majority of the board of the T. V. A.

These contracts were not open to public bidding. All you had to do was to get the assent of two men—a majority of the T. V. A. Board. They spoke for the Nation; they spoke for the taxpayers of the country.

But what of the action of the Authority? Surely there are questions to be asked. Why did it so over expand that it found itself with facilities far greater than its load demands? Why does it propose to double the capacity in kilowatts within the same transmission area? Privately owned electric utilities in Tennessee Valley Authority area have a total of 1,859,238 kilowatts installed capacity. In the very same area the T. V. A. will have 1,878,800 kilowatts rated capacity. What very favorable contracts the private companies may look forward to when that ultimate is realized. Why, when it reached this situation, did it conduct negotiations in secret with a few large corporations? Why were bids not asked from other companies? Why was it all settled in closed rooms?

Mr. President, why did they not ask for public bidding? Why did they not give the public the opportunity to offer bids? Why was it done behind closed doors? Why was such action taken by this organization which was to be a great

human project, a great social advance in the interest of the poor people, the plain people of the country? Those people have been "sold down the river" in favor of some of the great corporations of this Nation, to the benefit of their wealthy stockholders.

A look at the Annual Report of the Acting Comptroller General of the United States for the fiscal year of 1937 may cast some light on this subject. I read from it as follows:

During the fiscal years 1936 and 1937 exceptions were made and the Authority regularly notified on a total of 7,964 transactions involving \$15,542,459.70. Of such number and amount there was released, after proper explanation or recovery, a total of 3,077 exceptions amounting to \$4,814,950, leaving 4,887 still pending in the amount of \$10,727,509.70. Full details of such exceptions and the reasons therefor will be included in the special report on such audit as required by section 14 (b) of the act.

But what does section 14 (b) of the T. V. A. Act, as amended, show us that adds to the light of our knowledge? It is provided that the Comptroller General shall audit the transactions of the corporation and make a report, but—

That such report shall not be made until the corporation shall have had reasonable opportunity to examine the exceptions and criticisms of the Comptroller General or the General Accounting Office, to point out errors therein, explain or answer the same, and to file a statement which shall be submitted by the Comptroller General with his report.

Can it be the Authority is hiding behind the "reasonable opportunity" afforded it in the act? Can it be that the present legal action of some 18 private utility companies in the process of trial in Chattanooga, Tenn., at the present time makes it too embarrassing for T. V. A. to make its reply to 4,887 exceptions of the Comptroller General amounting to \$10,727,509.70? Would such disclosures made to the Comptroller General and thereupon incorporated in his report, contain information which might substantiate claims made by the parties complainant in this present action in the Federal courts?

Going back to the question of bids, why were these particular companies whose names I have mentioned before the chosen few? We have heard of the "chosen few" before, but here we have the chosen few of the utilities and the great corporations—corporations which stand in the white light of the radiant smile and sunshine of the present administration. Probably because in concerns such as these the number of workers employed per unit of power is necessarily low—so employment was no great factor. Finally, what of the sales price? Did the T. V. A. prices really cover the cost of the power, not only of the dams but the generating facilities needed to make and deliver it? We are not told. Nobody knows. The action was arbitrary, concealed.

Consider all this secrecy—closed doors, hotel rooms—in the light in which the ordinary, every-day American citizen is forced to divulge his every move, every penny he makes, the sources of each dime that he earns, in his income-tax returns, his social-security returns. Here is certainly consistency for you.

Mr. President, think how these contracts were made. They were made behind closed doors, because those with whom they were made were the chosen few, who were meeting with the majority of this governmental commission. If you are not one of the chosen few, or you do not belong to one of the corporations composing the chosen few, you are scrutinized in every way. Your income tax is examined. You are subjected to the closest scrutiny to which an individual can be subjected.

Mr. McKELLAR. Mr. President, does the Senator still decline to yield?

Mr. BRIDGES. I do.

Mr. McKELLAR. I simply wanted to give the printed contracts in the report of the T. V. A., and surely if there was anything hidden or covered up concerning these contracts, the Authority itself would not have reported them. The Senator is wholly mistaken in his investigation. He must have wasted his time this summer.

Mr. BRIDGES. I shall yield later. I say that facts, as outlined in my statement, call for an investigation, and I

hope we shall have a senatorial investigation. From what I have disclosed today and more which is to follow I think we shall have some very interesting disclosures. I do not believe that the members of the T. V. A. and some others will welcome the investigation.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. BRIDGES. No, Mr. President; I will not yield until I am through. This was "self-yielding" on the part of the distinguished Senator from Tennessee rather than on my part.

Mr. McKELLAR. When mistakes are made I think the Senator will excuse "self-yielding."

Mr. BRIDGES. Can it be that the T. V. A. is hiding behind closed doors, and that opportunities to bid for these contracts are closed to the public? That is not consistent with the way we do things today in this country. Secrecy in high places is passed off as a necessary adjunct for good business of a Federal project, but when private industry or a private citizen fails to report the details of his personal business then let the light of public disapproval be cast upon him. Undoubtedly he is trying to do something detrimental to government and so, if discovered, he must be fined or jailed. But the Tennessee Valley Authority is not fined and cannot be jailed. But it can be forced to yield full knowledge to the public who support it by their taxes. And that is what should be done.

Meanwhile there is the fact that a few corporations benefited at the expense of the taxpayers, for the taxpayers are assuming the difference between the prices charged and the cost of such power to these companies, whether they bought it elsewhere or produced it themselves.

And what happens to that difference in cost? Is it returned to the taxpayers? It is not. It goes into the pockets of the stockholders of the corporations; into the pockets, for instance, of the Mellon interests that control the Aluminum Co. of America, and into the pockets of the Duke interests, which also, I understand, have a large stake in that company. It is a great and direct gift from the taxpayers of the United States—from the people of New Hampshire, for example—who are laboring to pay their taxes today, some of whom are facing dire want; to the stockholders of certain great corporations under the guise of human advancement and social progress.

Is this the final culmination of the dream for cheap power provided by the Government, or for a Government "yardstick," which would result in a steady lowering in the price of power and light for the citizens? From the facts available it seems that this gift is the only culmination to date, and a pretty sordid one at that.

Before we embark on any great expansion of this type of public corporation, it seems to me that these actions of the original model, the T. V. A., should be subject to investigation by Congress.

Suppose the Treasury Department of the United States Government were to start giving away Government bonds to a few favored corporations; would not there be an immediate call for an investigation? Yet, what is the difference? The savings which these companies can realize as the result of this cheap power, provided at the expense of the taxpayers, is equal to the interest on \$29,170,800 of Government bonds; it is equal to an annual refunding of \$875,000 worth of taxes. Tax refunds to large corporations heretofore have come under criticism, yet at least in such cases the refunds were made after appeal by the corporations and through legal proceedings before the courts and the Treasury Department.

This gift of earnings to a few wealthy stockholders is the result of no legal process but of private contract, and therefore of the arbitrary action of not more than three men who are unaccountable and irresponsible.

It may be even that the entire Board did not approve of these contracts. Dr. Morgan, the Chairman of the Authority, has recently, in a published article, emphasized the fact that in certain cases he was speaking only for himself and not for the Authority. Perhaps in this case, as in others,



he was simply overruled by a majority of the board. Let me quote from the statement made by Dr. Morgan on December 13, 1937, at the hearings in the House on the independent offices appropriation bill for 1939:

In previous hearings before the Committee on Appropriations, the members of the Board have given testimony as to the parts of the work with which they were principally familiar. During the past year there has been a reorganization of the Tennessee Valley Authority. Its administration now is directed by a general manager, and, presumably, the members of the Board are concerned only with matters of policy, and the general manager and his assistants will appear and give most of the testimony.

In a meeting of the Board the majority of the Board directed that testimony concerning the facts would be given by the general manager and his assistants. The members of the Board were directed to reply to questions of the committee concerning policy, and they were directed that their replies should reflect the majority opinion of the Board and not the personal opinions of the members where they differed from that majority.

So, Mr. President, it appears that one member of the Board, its chairman, is muzzled; his views are definitely limited. He can explain his attitude to committees of Congress or other public authorities only to a degree. Dissension within the Authority makes the actions of the majority only the more arbitrary, for it makes the number of men responsible even smaller. Here is power exerted in a dark room, if you like.

No Government service should be provided merely to a few. Service provided by Government should be available to all without discrimination. Would it be intelligent if the Post Office Department should make a contract to carry the mail of the Aluminum Co. of America free of charge or should sign a contract to the effect that first-class envelopes sent out by that company would pay a postage rate of 1 cent instead of 3? There is no difference in principle. The only difference is that these contracts, by which favored industries have gained at the expense of the taxpayers, have not been understood by the taxpayers.

The T. V. A. was set up largely in the interests of conservation.

The same purpose was behind the recommendations for the creation of seven Regional Power Authorities.

Surely in the light of the record of these contracts, the meaning of conservation should be more strictly defined. Or is "conservation" of natural resources to be defined as a contribution to the earnings of selected corporations? That is what conservation in this case means to date.

Wall Street at its worst never had a better example of a preferred list of customers benefiting from inside negotiation than is evident here.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. LODGE. I suggest the absence of a quorum.

Mr. MINTON. Mr. President, I rise to a point of order.

The PRESIDING OFFICER (Mr. Bone in the chair). The Senator will state it.

Mr. MINTON. I make the point of order that no business has been transacted since the last quorum call.

The PRESIDING OFFICER. The Chair holds that no business has been transacted since the last quorum call and, therefore, sustains the point of order.

Mr. AUSTIN. Mr. President, I desire to submit a report from the Judiciary Committee and ask the Senator from New Hampshire to yield to me for that purpose.

Mr. MINTON. I object to the Senator submitting the report at this time.

The PRESIDING OFFICER. Objection is made by the Senator from Indiana.

Mr. BRIDGES. Mr. President, did the Authority act on its own responsibility without President Roosevelt being aware of its action? Knowing his stand on matters favoring special interests, it is hard to believe that he would permit such actions unless he was ignorant of what was going on. But once these situations have been called to his attention, there is surely no other course for him but to assert his previous ignorance and to repudiate the actions of the Authority.

What a contradiction these actions of the Authority make to all the other professed efforts of the administration. The administration claims it is working for shorter hours and higher wages. It is working to hold down the cost of living of the ordinary consumer. It is working to relieve unemployment. It has professed a preference for the small-business man.

Yet the result of these contracts signed by the Tennessee Valley Authority contribute nothing to those efforts.

Even if the T. V. A. did find itself in such a position that it had to sell to large corporations, could it not have used its assets to forward certain social purposes?

What a bargaining weapon the Authority had here. Could not the Authority have said to the Aluminum Co. of America, "Yes; certainly we can offer you a reduction in rates from what you would ordinarily have to pay in other industrial centers. But we represent the United States Government and we give you no concessions unless you also concede something which is of value to the Nation."

The act provides that the benefit of cheap rates shall be passed on to the electrical consumers—to the housewife who uses electric stoves and waffle irons. Did not these provisions imply that it was the consumers who should benefit—if not in cooking rates then in cost, say, of aluminum utensils?

Could not the Authority, then, in conjunction with the President have made terms with these industrial companies which guaranteed higher wages and shorter hours?

Could they not have made provisions in these contracts regarding the prices of the essential goods to be manufactured with this incredibly cheap power? Could they not have made a stipulation that the industry in question would continue to employ, for a period of time at least, not less than a certain number of people?

Could not the Authority, in short, have used its great bargaining powers so that the benefit of the reduction in power cost was passed on to the employees and to the consumers of the Nation as a whole to the plain people, the poor people, the forgotten men of this great country?

But they made no such effort. There are no such stipulations in these contracts. The benefit of the price definitely is passed on merely at the discretion of the Corporation, and is passed on to its stockholders.

Why were no such efforts made? It cannot have been because of any doubt about their constitutionality. At best, such inaction, such lack of cooperation with the aims of the administration, must be characterized as inertia.

The T. V. A. has not only betrayed its trust; it has not only failed to use the bargaining power provided to it from the wealth of the Nation's taxpayers to forward any of its objectives, but its actions have actually retarded those objectives. The result of these contracts is merely to make rich corporations richer at the expense of small ones.

Does this policy help the small company or corporation of New England or of Missouri or of Ohio or any other State or section that is meeting stiff competition today and is just about getting by? Does it help the small-business man, the small company which cannot afford to move its plant on short notice to follow the lure of taxpayers' cheap power? Not at all. To the long line of handicaps which the small concern must overcome in competition with the vast ones the T. V. A. adds one more—cheap power. In so doing its contradiction to the thoughts and policies even of its own friends, even of the administration, is curiously flagrant.

The Union Carbide was itself an intending bidder for Muscle Shoals in 1926. But its intentions were not then received kindly by Democratic Senators. On March 3, 1926, as will be found in the CONGRESSIONAL RECORD, page 4897, the Senator from Tennessee [Mr. McKellar] characterized the Union Carbide Co. as an "enormous monopoly," "one of the largest monopolies in the United States," whose representative had stated that his company was going to bid for the property and expected "to use all the power down there." The Union Carbide did not get Muscle Shoals then. But, thanks to the T. V. A., the Union Carbide now can have the

benefit of Muscle Shoals and more besides without having made or having to make a dollar's investment in power development.

It should have done so. Its competitors have done so.

Is it not fair to characterize the Aluminum Co. of America as a monopoly? Perhaps so, and perhaps not. I use as my authorities for that statement many of the distinguished members of the Democratic Party; that administration's own Attorney General, Mr. Cummings, believes that company to be a monopoly, and has filed suit to prove it, while behind the curtain the T. V. A. steps up to foster that company's growth and competitive ability by favorable contracts for power, far cheaper than it could obtain elsewhere or produce itself.

It must be a grave shock to the distinguished Senator from Nebraska [Mr. NORRIS] to know that he has given his name to a portion of a public-power development which has resulted, to date, chiefly in benefiting the stockholders of enormous monopolies.

I am well aware that the Authority may seek to defend its actions to some extent on the ground that it has created employment. Possibly that is true; but, as I have said before, from the nature of the business of the companies concerned, the number of men employed per unit of power is not very high. Besides this, however, it is more than possible that a continuance of these methods may create, not more employment, but less employment throughout the Nation as a whole.

An industry which takes advantage of cheap power in the T. V. A. area, of course, must employ men; but what of the area which the industry leaves in its search for cheap power? Just at the time when the administration is at last talking of trying the difficult job of relieving unemployment while seeking to balance the Budget as well as dreaming about it one of its own agencies whose costs help unbalance the Budget signs contracts with four great corporations which may well throw men out of work.

We cannot blame companies, now or in the future, if, because of this cheap power, they are led—immediately or as the result of business recession—to concentrate in the T. V. A. area activity which they formerly carried on in other areas; but we can sympathize with the men in other areas who suddenly find themselves without jobs. It is no fault of theirs if they are thrown out of work. The circumstances are entirely beyond their control. An irresponsible agency of the Government offers an asset of the Government at a tremendous reduction from the price a corporation would have to pay elsewhere. The corporation takes advantage of it, and the unemployed men lose. In their despair and distress they may blame anyone, but the real blame rests upon the T. V. A.

We have heard for years of the threat of technological unemployment. Are we now to be faced with a continuing threat of TVAlogical unemployment? It may well be because unemployment in other areas is a logical outcome of this T. V. A. policy.

At least let us know the facts. If this is the policy to be pursued, with these inevitable results, let those of us in the other areas be aware of it. Let the facts be published, and published in such a way that the ordinary man can understand them.

Under the present set-up there is absolutely no control of any actions of the T. V. A.

Private utility companies must have their actions passed on by a State utilities commission, by the Federal Power Commission, and by the Securities and Exchange Commission. Those who are hurt by the actions of a private utility company still have the right to resort to the courts. Other governmental agencies are at least subject in their reports to check by the Comptroller General of the United States; but the Tennessee Valley Authority is the spoiled child of the utility family, and the spoiled child of the administration's alphabet family also.

The audit of the books of T. V. A. is incomplete. The authority of the Comptroller General is curtailed by the

T. V. A. Act, as amended, as I have already pointed out. The Authority is enabled to hide behind the subterfuge of what is termed "reasonable opportunity to examine and report." Its actions are not subject to review by any State commission, by the Federal Power Commission, or by the Securities and Exchange Commission; and surely no private citizen who lost his job through the actions of the irresponsible Tennessee Valley Authority would be able to satisfy himself through the courts.

I have said that the implications in these contracts were not revealed. Here, again, the T. V. A. actions run counter to the professed desires of the administration. The Securities and Exchange Commission—the creation of which I for one thoroughly approve—was set up and has been working hard to make corporations give out more information about their activities, and to give it in simple form.

That is a worthy objective, and, to my mind, it should be pushed further. It is essential, of course, that owners of a property should know what the management is doing with their money. But the methods of reporting its activities, certainly those in connection with these contracts, which the T. V. A. has followed, are entirely contrary to the spirit of the Securities Act or the wishes of the S. E. C. Their purport and significance, to my knowledge, have never before been emphasized. They are difficult to understand. They are not couched in simple language.

Surely the T. V. A. cannot continue completely freed both from every restriction that applies to Government agencies and from every regulation that applies to utility corporations.

It is necessary that contracts made by the T. V. A. in the future should be passed upon by the Federal Power Commission, should be published in simple language, and should be subject to review by the Congress. Without such regulation and without such review, the powers of a few men are far, far too great.

Can we look forward to a similar situation when and if the other regional power authorities are created? Will it be more bedeviled still, perhaps, by competition among different boards to see which can sell the Nation's assets cheapest—competition for the gratitude of the larger corporations, the favored few?

There is too much power here—not only the power to give away the assets of the people, but power also to make or break corporations; to employ or unemploy vast numbers of men by the single decision whether or not to sign a contract which would give the beneficiary tremendous and unusual advantage over his competitors.

All this has gone on behind closed doors, this bartering with the Nation's assets, this bartering with the taxpayers' money, so far to a favored few, some of the great and mighty corporations of this Nation.

And there is another danger. I am not accusing the members of the T. V. A. of speculation in the stocks of the companies involved, but certainly here is an insider's chance if ever there was one. I take it for granted that the men now composing the Board of the T. V. A. are above such temptation; but over a long period, and on the average, men in public office will sometimes yield to temptation, sometimes are not strong enough to resist temptation, any more so than men engaged in private industry.

If this principle is continued—this principle of irresponsible decision on such important subjects as the power costs of corporations—the door is left wide open for extraordinary possibilities of speculation, of bribery, of corruption, and so on.

I have discussed the situation with regard to the contracts between the T. V. A. and four large industrial concerns. So far I have referred only to the contract between the T. V. A. and the Arkansas Power & Light Corporation. Why are T. V. A. and the Arkansas Power & Light Co. so closely tied up together? The T. V. A. contract with the Arkansas Power & Light Co. is worth examining. This contract merits special attention in itself. The T. V. A. contracts to deliver to the Arkansas Power & Light Corporation from 15,000 to 35,000 kilowatts. Again this will, for the first few years, be



in effect firm power at partially secondary prices. Besides that, in the event of a break-down on the Arkansas Power & Light system the T. V. A. agrees to stand by for the company's load.

Now, what of resale?

Does this contract specify a rate which the company must charge on resale? It does not. It merely provides that if in the Authority's opinion, the resale rate by the company is too high, the Authority may cancel the contract. On the other hand, if the company disagrees with the Authority's opinion, it may cancel the contract. And note this: If either party cancels the contract because of a dispute regarding rates, the company will not be required to reduce the rates in question for 2 years and 60 days.

For 2 years and 60 days, therefore, the Arkansas Power & Light Corporation, one of the favored few, has a guaranty on rates. Is this an exertion of the kind of bargaining power we had a right to expect from the T. V. A.?

What other company in the T. V. A. area has such a favorable break from the application of the yardstick? What other stockholders of utilities in the area can rely for so long on an unchanging rate structure?

Why the difference in the attitude with regard to various utility corporations in this country?

I am no general supporter of the practices of some of the private utility companies, and that is putting it mildly. I deplore many of the actions of certain utilities. Some are good and some are bad. But I must say that I infinitely prefer the tactics of a corporation which attacks the actions of the T. V. A. openly, before a court of law, to the tactics of a company which, saying nothing openly, moseys around to get private exemptions by a private contract as a special favor.

I should like the T. V. A. to deny that this contract means the Arkansas Power & Light Corporation will for 2 years be freed from the threat of competition of "yardstick rates," but the denial must carry real conviction. It cannot be merely formal, for on the face of it no other meaning is possible, as I see it, in this phraseology.

But apparently other favors were available to the Arkansas Power & Light Corporation. Following up its relations with the Government, I found that another agency, closely identified with the T. V. A., had favored this special group. Just listen to this: The Rural Electrification Administration bought the corporation's general-mortgage bonds—\$323,000 of them—and required less than 3-percent interest; and at that time the corporation's bonds were selling on a basis of 5.4 percent.

Presumably this was to provide for building rural lines, but any reduction that was to be made was left up to the Arkansas State Commission. Here, again, no bargaining power was exerted, for it was settled that the rates charged on the rural lines built with this money would be the same as the rates on the company's other lines—another gift from the Government; another saving to stockholders at taxpayers' expense.

Why should this utility company be so preferred? What is behind the preference? Surely the people who support the Authority, the taxpayers of the Nation, have a right to learn the truth. Surely there is here a field for outside regulation of the acts of an irresponsible group of administrators.

I do not know what line of demarcation the administration uses in forming its opinions of corporation managements and wealthy industrialists. I have never been able to ascertain what system it uses for distinguishing the sheep from the goats. But the T. V. A. seems to have its own method of decision. Those who will buy its power at the cheapest price—at any price, so long as it can say that it has disposed of that power—are among the blessed.

I would not have expected that the management of the Arkansas Power & Light Corporation were particular favorites of the administration. Among its stockholders is the Electric Bond & Share Corporation, which has steadily refused to register under the Public Utility Holding Company Act. Mr. Harvey Couch, president of the Arkansas Power &

Light Corporation, has been a financier and an industrial manager for some years and has at least been as successful in that complicated business as have many others. He has been on at least one investment banker's "preferred list." What claim he could have to such preference by the T. V. A. I do not know, but he has successfully asserted one.

I have said that the other contracts were not couched in simple terms. This contract, which the Arkansas Power & Light Corporation secured, may have been simply "couched." How many more men of wealth and influence are going to be able to benefit at the taxpayers' expense by simply "couching" contracts with the T. V. A.?

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BRIDGES. I will not answer any questions until I have concluded.

I am quite frank to say that my interest in the activities of the T. V. A. is more than general. It is tied up with something with which I have been connected for many months. In 1927 New England suffered a great flood. In that great flood we of New England thought we had seen the worst calamity our section of the country could experience. Nine years later, in March 1936, New England suffered another great calamity. This disaster was so marked, so sweeping, that it made the first flood look minute by comparison. As the result of that flood tens of thousands of people were made homeless. Nearly a hundred million dollars of damage ensued in the four New England States.

It happened that I was Governor of my State at the time, and when that disaster befell us, making thousands homeless, causing suffering among thousands of our citizens, causing the destruction of millions of dollars worth of property, our people, as the New England people always do, set their faces to the front, and adopted a program, which program was twofold. First, we set about repairing the destruction, and relieving the suffering. Then we would have been derelict in our duty as public officials, I would have been derelict as Governor of my State, if we had not joined hands, as a group, in the New England States, and worked in cooperation with the Federal Government; we worked out a program that the flood menace might not threaten us again.

The Federal Government responded graciously. This body, and its associate parliamentary body, passed measures authorizing the Army engineers to make a survey of flood conditions in New England, and the survey was made. The recommendations were given. What is the situation today? The Army engineers, under the direction of the Secretary of War, held conferences with State officials, and State officials met with Federal authorities. Together they worked out a flood-control program for New England. With that flood-control program worked out, every step of the way in conjunction with the Federal Government, four of the States of New England, New Hampshire, Vermont, Massachusetts, and Connecticut, joined in a nonpartisan way, because the Governor of Massachusetts is a Democrat, the Governor of Connecticut is a Democrat, and the Governors of New Hampshire and Vermont are Republicans. So, in a nonpartisan way they made recommendations to their legislatures, and those recommendations were for a ratification of the New England flood-control compact, and a recommendation to the States that the legislatures appropriate money for the States' shares in flood control. The Legislatures of New Hampshire, Vermont, Massachusetts, and Connecticut ratified the compact, and provided their share of the money. They kept faith with the Federal Government.

After the Federal Government had cooperated with the States, and they had gone ahead together in a mutually conceived project, namely, a project for the control of floods in New England, the administration in Washington made a rightabout-face. We do not know today what happened, but—

Mr. MINTON. Mr. President, will the Senator yield so that I can tell him one of the things that happened?

Mr. BRIDGES. No; I will yield when I conclude.

I say to the Senator that if another flood occurs before action is taken, if more people lose their lives in New Eng-

land, if more people are made homeless, if more human suffering and misery result, if more millions of dollars' worth of property are destroyed, the blame will rest upon the administration in Washington, which has failed to keep faith with the New England States, which States have provided their share of the money, which have ratified the compacts, which are ready to join in a project which is interstate in character. But the New England States are not prepared to surrender the control over their power and lands, and the discourse which I have given today relative to the disposition of power by T. V. A. is a good reason why.

I want the power and lands in New England controlled by the States, in which I have a little more confidence than in the T. V. A., which has bartered away power to some of the great corporations of this country, so that a few more multimillionaires may sail the southern seas on palatial yachts. That is what has happened. That is one of the things we are afraid of in New England.

We have only a few great natural resources in New England. We had our forests; we had our deep-sea fishing; we had our lumber. We have our scenery and our climate, and the New Deal cannot take those away from us. But we had another great resource. Every little industry, every village, every city that has prospered in New England, has developed around some waterway, some little stream, some river. On the proud Merrimack, and on the Connecticut, are developed the centers of population and the centers of wealth and the centers of employment in New England.

The Governors of the New England States have been invited by the President of the United States to meet in Washington tomorrow, and I understand that the proposal which will be made will be something new. I do not know what it is to be, but I know what the answer should be. I know that in the present situation New England has kept faith and that the Federal administration, with which we have been dealing, has failed to keep faith with the signatory States of New England.

Mr. President, in considering the New England flood situation, Senators should remember that we in New England have asked for little, and we in New England have received very little. We heard a good deal about the "forgotten man" in the last campaign and the previous campaign. If we paraphrase that and refer to the "forgotten" land, that land is New England.

We still maintain our self-respect, we still keep control over our natural resources, and we propose to retain that control.

I have discussed today the T. V. A. and the T. V. A. program. I have discussed the contracts which have been made with large corporations. I have spoken regarding a private utility company, one of the few, the saintly few. These are the gigantic corporations, huge monopolies, and great trusts from which this administration is defending the poor people with the right hand while with the left hand it is making private deals and private contracts. Consistency, thou art a rare jewel!

Mr. President, considered in the light of the disclosures which I have made, I am wondering what are the motives which underlie the refusal of the Federal Government to continue to participate in the New England flood-control program.

Does the administration anticipate a duplication of its action in the T. V. A.? Does part of the Federal power development depend upon freedom to make contracts with great corporations and monopolies to supply them with power on such a basis as will be to their great advantage and to the disadvantage of the taxpayer? It is a basis for serious thought on behalf of New England and the Nation.

If the President has been merely betrayed in the T. V. A. situation, betrayed by men of his own choosing, he should, for his own sake and the sake of this costly experiment, say so quickly, definitely, and over his own signature. Once these situations have been brought to the attention of the public, he has no alternative but to repudiate once and for all this kind of high-handed bartering away of tax money, and those who are responsible for such actions.

But he should, I believe, also do more. He should take a lesson from this example of the dangers inherent in the delegation of irresponsible powers over great masses of taxpayers' property. He should insist that Government agencies engaged in business should be just as much subject to independent audit and to independent regulation as are privately owned companies.

Unless these actions are taken, unless the activities of the T. V. A. are made subject to review by the Federal Power Commission and the Congress, this great effort to add to the experience of the electrical industry will result in a sad disillusion. The progress of the whole industry will be held up, with all that may mean to the progress of individual lives in this country.

I have fulfilled my duty as I see it by bringing this situation, unknown by the public at large, to its attention. The duty to correct these evils, now that they are pointed out, to bring light to secret places, and to bring arbitrary officials under control, rests with the administration.

As I said before, I impugn the motives of no individual Senator or no group of Senators by reason of their support in the past of the T. V. A. or because they have voted to appropriate money for it. I have disclosed certain facts with reference to it. If there is a question in Senators' minds relative to the facts, I urge upon this body a thorough investigation of T. V. A., and let the truth prevail.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield to the Senator from Massachusetts.

Mr. LODGE. I think the Senator has made a very interesting statement showing a very great deal of careful study. Does the Senator not think that this is sufficiently important, not only so far as the Tennessee Valley Authority is concerned but the Nation as a whole, to justify a thorough investigation at once?

Mr. BRIDGES. I do.

Mr. LODGE. Did I understand the Senator to say that certain corporations had received certain financial advantages running up to \$800,000 or \$900,000?

Mr. BRIDGES. I did. Some over \$800,000.

Mr. LODGE. In this time of financial stringency, when a great many people are walking the streets, should not that money be used more advantageously to assist them?

Mr. BRIDGES. I think so—very clearly so. I think that that passing on of money and favors to the chosen few can only react to the disadvantage of the country as a whole.

Mr. McKELLAR. Mr. President, will the Senator yield to me?

Mr. BRIDGES. Certainly.

Mr. McKELLAR. I find that in New Hampshire, the State represented in part by the Senator who has just spoken, the power companies would suffer very greatly by the application of the Tennessee Valley Authority yardstick. Is that true or untrue?

Mr. BRIDGES. That is untrue, because I think I have demonstrated here today that the great corporations of my State would benefit if the authorities were to go up there and apply the same principle.

Mr. McKELLAR. The Senator evidently has not looked into matters concerning his own statement. I wish to read some figures into the Record.

Mr. BRIDGES. I shall gladly hear them.

Mr. McKELLAR. The total revenues of the power companies from the Senator's own State in 1936 were \$9,266,643, under the yardstick that the power companies apply there. If the yardstick of the T. V. A. were applied, there would be a difference in favor of the people of the Senator's State of \$4,897,469. That saving would result from the elimination of the combined overcharges, resulting from rate schedules in 1936 for residential, commercial, and industrial service. In still other words, if the T. V. A. yardstick were applied in the Senator's own State, \$4,897,469 would be saved to the people of his State, to the consumers of electricity in the home, in the commercial houses, in the factories and industries. Does the Senator feel that that would be beneficial to the people of his State or not beneficial?



Mr. BRIDGES. In answer to the question I will say that if the same yardstick were applied in New Hampshire that is applied to the T. V. A. we would have a few more great corporations gaining more wealth. We would have certain favored utility companies receiving advantages without passing the advantages on to the people of the State. That is what would happen.

Mr. McKELLAR. The Senator is mistaken about the facts. Not only that, but if the same yardstick were applied in New Hampshire that is applied in Tacoma, Wash., for instance, there would be a saving to the people of New Hampshire of \$4,940,565. On the other hand if the same yardstick were applied to the people of New Hampshire that is applied right across the line in Ontario, the people of New Hampshire, the State which the Senator represents in part, would save \$5,394,965. As I understand the Senator's argument, he wants the power companies to continue to charge the same rates that they are now charging in his own State.

Mr. BRIDGES. The Senator did not understand any such thing.

Mr. McKELLAR. Does the Senator say he does not?

Mr. BRIDGES. Of course I do not. If the Senator wants to ask some questions, why does he not get down to the meat of my speech?

Mr. McKELLAR. The meat of the Senator's speech is that he is here undertaking, if he can, to throw some kind of dirt upon the T. V. A.

Mr. BRIDGES. And I will prove it.

Mr. McKELLAR. The Senator has not proved anything of the kind. If he will come here tomorrow I will show him how utterly mistaken he is, and how uselessly he has spent his vacation, which he says he has spent in this investigation.

Mr. BRIDGES. Let us have an investigation.

Mr. McKELLAR. I wish to make a statement based upon actual knowledge of rates in Tennessee. Before the establishment of the T. V. A. in Tennessee the power companies charged from two and a half to three times as much for power as they charge now, but since the T. V. A. has been established there has been a tremendous reduction. I wish to say another thing. That has not been done behind closed doors. It has not been done by subterfuge. I wish to say that the contracts which the Senator has spoken of have been published in the newspapers in full. They are published in these reports in full. There has been nothing underhanded; there has been nothing dishonest; there has been nothing corrupt about this matter.

The Senator from New Hampshire would not permit me to ask him questions while he was making his speech. If he had permitted me to, I should have called his attention to the great errors which occurred in it. Tomorrow, however, I shall reply and show what the real facts are. I will show what a wonderful thing the Tennessee Valley Authority has been in reducing electric rates to the consumers of electricity in the homes and in the factories of Tennessee and in adjoining territory. It has resulted in one of the most marvelous savings in the world. It seems to me that the Senator should be interested in trying to make a similar saving for the users of electricity in the home and on the farm and in the business houses and in the industries of his own State, rather than to keep the prices of power up.

Mr. BRIDGES. I hope when the Senator answers my speech tomorrow he will explain the benefits to the Aluminum Co. of America, that he will explain the benefits to the Monsanto Chemical Co., the Victor Chemical Co., the Arkansas Power & Light Co., and all these favored few, the enrichment of these great corporations and their stockholders. I hope the Senator will explain all that to me, for I should like to hear about it.

Mr. McKELLAR. I shall not wait until tomorrow to explain about one of them. I will do it right now. Take the Aluminum Co., for instance. The Aluminum Co. has made a contract to buy secondary power, unused power, power not being used at all, and for a splendid price. The T. V. A. has sold to the Aluminum Co. this power that is now going to waste, that could not be used in any other way unless this

corporation used it and perhaps other corporations of similar kind used it. It has resulted in a tremendous saving to the Government, and is not against the interests of the public in the slightest degree. I am surprised that the Senator has not made a real study of these facts before undertaking to assault the T. V. A. as he has done today.

Mr. BRIDGES. I never expected to see the distinguished Senator from Tennessee on the floor defending the Aluminum Co. of America.

Mr. McKELLAR. I am not defending the Aluminum Co. of America or any other company. I am defending the Government of the United States and this splendid set-up that is down in my part of the country, where they are doing a great work in reducing the prices of electric current to all the people. It makes no difference whether they are corporations, it makes no difference whether they are farmers, or whether they are merchants, or whether they are manufacturers, or whether they are home owners—that great organization down there has already lowered and will continue to lower the price of electric current to all the people, and that is why I am standing here in the interest of all the people and correcting the misstatements of fact that I believe the Senator from New Hampshire has made this afternoon.

Tomorrow I shall discuss the subject fully. I did not have a chance to reply to the Senator today. The Senator would not yield to questions which would have shown the facts about this matter, but tomorrow I shall examine with care the speech that was made by the Senator, and I will show how tremendously wrong and inaccurate the Senator has been. The Senator is just as wrong about this as he was about the airplane investigations some time ago, when he received only one vote in the entire Senate, as I remember.

Mr. BRIDGES. The distinguished Senator from Tennessee refers to the request for an airplane investigation in connection with which I received only one vote. He is as wrong with reference to that, as he generally is, because it was not an investigation of airplanes. It was an investigation of the United States mails and the interference therewith by the C. I. O. pickets. The Senator is as right on that as he probably will be tomorrow.

Mr. McKELLAR. The Senator was as wrong on that as he possibly could be, for this reason: That the entire Senate voted against him, and he ought to be satisfied when the whole Senate votes against him on any question. I do not think 1 Senator can prevail against 95.

#### PARLIAMENTARY PROCEDURE

Mr. ELLENDER and Mr. BONE addressed the Chair.

The PRESIDING OFFICER (Mr. LONG in the chair). Does the Senator from New Hampshire yield; and if so, to whom?

Mr. BRIDGES. I shall be glad to yield to the Senator from Louisiana.

Mr. CLARK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLARK. Who has the floor?

The PRESIDING OFFICER. The Senator from New Hampshire [Mr. BRIDGES] has the floor.

Mr. BRIDGES. I yield to the Senator from Louisiana.

Mr. CLARK. Does the Senator from New Hampshire yield to the Senator from Louisiana for the purpose of asking a question under the rule, or for what purpose?

The PRESIDING OFFICER. That is not a parliamentary inquiry.

Mr. BRIDGES. I asked the Senator from Louisiana for time, and he graciously yielded to me in order that I might discourse on a rather important matter. I have concluded, and I yield the floor back to the Senator from Louisiana.

Mr. CLARK. Mr. President, I am constrained to make the point of order that the Senator from Louisiana has already spoken twice on the same legislative day on the same question.

The PRESIDING OFFICER. In view of the understanding previous occupants of the chair have had with regard to the speech of the Senator from Louisiana, the Chair is

inclined to hold the view that the point of order is not well taken.

Mr. CLARK. May I inquire of the Chair whether the understanding of the Chair was submitted to the Senate as to whether or not the Senator from Louisiana had the right to yield the floor, without losing the floor, and to resume it at will?

The PRESIDING OFFICER. The Chair understands that that question was not submitted to the Senate.

Mr. CLARK. Does the Chair rule, then, that in contravention of the rules of the Senate, any occupant of the chair has the right to make a private undertaking with any Senator which is not submitted to the Senate?

The PRESIDING OFFICER. The Chair does not understand that the Chair can make a private agreement with a Senator, but the Chair understands it to be the custom that when it is announced at the end of each day's session that the Senator from Louisiana is going to resume, he is entitled to the floor the next day and, under that senatorial custom, the Chair holds that the Senator from Louisiana had the right to resume.

Mr. CLARK. But the Senator from Louisiana 2 days ago was occupying the floor and yielded, with the understanding that he lost the floor, for the purpose of a point of no quorum being made. Some time afterwards there were other proceedings, including an effort on the part of the Senate to obtain a quorum. Later the Senator from Kentucky [Mr. BARKLEY], the majority leader, was recognized, and on the next day the Senator from Louisiana was recognized for what was undoubtedly his second speech on this legislative day on this question.

As I understand, the Senator from Louisiana, without any unanimous-consent agreement entitling him to resume the floor, yielded the floor to the Senator from New Hampshire, and thereby undoubtedly lost the floor.

Mr. President, without any reference to the distinguished Senator from Louisiana, who is my good personal friend, but for the purpose of clearing up the procedure to be followed in this debate, I make the point of order, so that the Chair may rule, that by yielding the floor in the course of his second speech on this legislative day on this particular question the Senator from Louisiana completed his second speech on this legislative day, and, therefore, is not entitled to be recognized for a third speech.

The PRESIDING OFFICER. The Chair will call the attention of the Senator from Missouri to the fact that there was a gentleman's agreement or a gentleman's understanding, as the Chair reads the RECORD, whereby the Senator from Louisiana yielded to the Senator from Kentucky [Mr. BARKLEY].

Mr. CLARK. At what point was that?

The PRESIDING OFFICER. That was on Saturday, January 15.

Mr. BARKLEY. Mr. President, I am not interested in the controversy except to keep the record straight. That was late in the afternoon, and, as I understand, was preliminary to a recess until Monday, and there was an understanding that on Monday the Senator from Louisiana would be recognized.

Mr. CLARK. And he was recognized.

Mr. BARKLEY. And he was recognized. Of course, as a matter of fact, regardless of gentlemen's agreements or anything else, there can be no question that when a Senator is in the process of speaking on a perfectly legitimate recognition by the Chair, and yields the floor for another Senator to make a speech on another subject, he does not thereby automatically retain the floor. Ordinarily the Presiding Officer will recognize the Senator who yields for that purpose in order that he may continue his speech, but it would, under the interpretation of the rule heretofore made, constitute another speech.

So far as I am concerned, it is perfectly satisfactory to me for the Senator from Louisiana to go ahead until he concludes his remarks, but I do not feel that the Senate rules ought to be so interpreted that a Senator in the process of a speech can himself yield for 2 or 3 hours to enable some other

Senator to make a speech and then can automatically resume the floor on the same speech.

The PRESIDING OFFICER. The Chair did not hold anything regarding the yielding of the floor to another Senator for the purpose of making a speech. The Chair did hold—

Mr. McKELLAR. Mr. President, will the Chair allow me to read from page 632 of the CONGRESSIONAL RECORD of yesterday?

The PRESIDING OFFICER. The Chair himself was just about to read that.

Mr. McKELLAR. Very well; I will withdraw my request to read it, of course, and I thank the Chair.

The PRESIDING OFFICER. That was on yesterday.

Mr. McKELLAR. Yes.

The PRESIDING OFFICER. The Senator from Louisiana was speaking and the Senator from Kentucky [Mr. BARKLEY] interrupted. I quote from the RECORD:

Mr. BARKLEY. Mr. President, I understand the Senator has not quite concluded his address?

Mr. ELLENDER. No, sir; I am not quite through.

Mr. BARKLEY. And that the Senator from Louisiana would prefer not to finish this afternoon?

Mr. ELLENDER. It will be agreeable to me, I may say to the Senator from Kentucky, to proceed tomorrow.

It is the view of the Chair that that constitutes a gentlemen's agreement that the Senator from Louisiana was to proceed today.

Mr. BARKLEY. That has no bearing whatever on the point of order made by the Senator from Missouri.

It is also customary in the course of a speech when the time comes to recess to have an understanding that on the following day the Senator who occupies the floor may be recognized to continue his speech; but if, while in the course of that speech, after being so recognized, he yields to another Senator to make another speech, he does not thereby automatically retain the floor and cannot be held to be automatically retaining the floor, although it is customary for the Presiding Officer to recognize such Senator when he desires to resume at the conclusion of the other speech.

The PRESIDING OFFICER. The Senator from Kentucky raises another and different point, as the Chair understands, from the point raised by the Senator from Missouri. The Chair's understanding is that when the Senator from Louisiana yielded to the Senator from New Hampshire the Senator from Louisiana had completed his first speech and yielded the floor. Now, if the Senator from Louisiana is recognized again, he is starting a second speech.

Mr. CLARK. Mr. President, will the Chair hear me just a moment to state my point of order, which the Chair clearly misunderstood?

On Friday, January 14, the Senator from Louisiana was occupying the floor and yielded the floor for the purpose of having a point of no quorum made, thereby clearly terminating his first speech on this legislative day. I call the attention of the Chair to the fact that it is still the same legislative day as of Friday, January 14, 1938. When a quorum was finally ascertained, I myself being in the chair, the following ensued—and I quote from the RECORD at page 514, Friday, January 14, 1938:

The PRESIDING OFFICER. On this question the yeas are 36 and the nays are 11. One Senator has answered "present" and one Senator, being present, has announced his pair. A quorum is present, and the motion of the Senator from Tennessee [Mr. McKELLAR] is laid on the table.

#### EXECUTIVE SESSION

Mr. BARKLEY. Mr. President—

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. ELLENDER. Mr. President—

The PRESIDING OFFICER. The Chair will state that the Senator from Kentucky has the floor, having been recognized by the Chair.

Mr. BARKLEY. I simply wish to inquire whether the Senator from Louisiana wants to go on now or to suspend until tomorrow.

Mr. ELLENDER. I will state to the Senator from Kentucky that I cannot conclude my remarks today.

Mr. BARKLEY. Under those circumstances, I do not desire to hold the Senate in session any longer. I therefore move that the Senate proceed to the consideration of executive business.

The PRESIDING OFFICER. The Chair would like to state that, so far as he is concerned, he should be glad to recognize the Senator from Louisiana, but the Senator from Louisiana, having yielded, he lost the floor, and the Chair recognized the Senator from Kentucky.



Mr. BARKLEY. The Chair is correct about that. I wish to say that I did not want to take advantage of the Senator from Louisiana, but I did not understand that he wanted to proceed further tonight.

The PRESIDING OFFICER. The Chair would have been glad to recognize the Senator from Louisiana.

That is, for a second speech.

Mr. CONNALLY. Mr. President, will the Senator yield right there?

Mr. CLARK. I do not know whether I am entitled to yield in the discussion of the point of order I am trying to present to the Chair.

Mr. CONNALLY. Who was in the chair and made that ruling?

Mr. CLARK. I was in the chair.

Mr. CONNALLY. I thought so. [Laughter.]

Mr. CLARK. I will also state to the Chair that the Vice President on the following day stated that he would be unable to follow my tacit promise to recognize the Senator from Louisiana for a second speech, but would feel constrained, under the notice previously given, to recognize the Senator from Texas [Mr. SHEPPARD]. That clearly, Mr. President, marked the termination of the first speech of the Senator from Louisiana on this legislative day. There is no question as to the right by which the Senator from Louisiana obtained the floor today in pursuance of his second speech on this legislative day; but the point of order I am making is that, having yielded to the Senator from New Hampshire to pursue this filibuster, the Senator from Louisiana lost the floor and is not now entitled to resume the floor, because he has concluded his second speech on this legislative day.

Mr. CONNALLY. Mr. President, I wish to be heard before the Chair rules.

The PRESIDING OFFICER. The Senator from Texas.

Mr. CONNALLY. The Senate has just witnessed a very remarkable parliamentary maneuver. The Senator from Missouri [Mr. CLARK] who is one of the bitterest proponents of this bill, and who stays up nights trying to find out some little parliamentary quirk or quip for use in case he finds somebody discussing something that is really distasteful to him in his heart—

Mr. CLARK. I call the Senator from Texas to order, on the ground that he is not discussing the point of order but is simply indulging in debate on the bill.

Mr. CONNALLY. I shall not say anything further, because I have served my purpose. [Laughter.] I have touched the most sensitive point of the Senator from Missouri.

Mr. CLARK. Mr. President, I again call the Senator from Texas to order.

The PRESIDING OFFICER. The Chair will rule now on the point of order made by the Senator from Missouri.

Mr. CONNALLY. Just a moment, Mr. President. The parliamentary maneuver I was adverting to was that the Senator from Missouri, being that kind of a partisan, gets in the chair and makes a ruling and then gets out on the floor and quotes himself as authority to the Senate. I do not think that kind of a decision is worth very much. It would not be in a justice of the peace court in my State.

Mr. CLARK. Mr. President, may I quote the Vice President of the United States in connection with this matter?

The PRESIDING OFFICER. The Chair will rule on the point of order raised by the Senator from Missouri.

The Chair understands that it is always the custom for the Senate to construe the rules of the Senate liberally unless prior notice is given that they shall not be so construed. The Chair has noticed the quotation read by the Senator from Missouri from page 514 of the Record wherein the Presiding Officer at that time recognized the Senator from Kentucky, he having been recognized previously. The Chair is of the opinion, inasmuch as the Senator from Kentucky had been recognized previously at a time when there was not a quorum present, that does not mean that the floor was lost by the Senator from Louisiana. Therefore, the Chair

holds that the Senator from Louisiana has finished his first speech.

Mr. CLARK. Mr. President, will the Chair permit me also to call his attention to the language appearing on page 567 of the Record, in which the Vice President of the United States declined on the next day to recognize the Senator from Louisiana as having the floor. It is as follows:

The VICE PRESIDENT. When the Senate took a recess yesterday the Record shows that the occupant of the chair at that time, the Senator from Missouri [Mr. CLARK], had agreed to recognize the Senator from Louisiana [Mr. ELLENDER], but the Chair finds that 2 or 3 days ago the Senator from Texas [Mr. SHEPPARD] gave notice that today he hoped to secure the attention of the Senate in order that he might deliver his annual oration on "The Crime of '33." [Laughter.] So the Chair thinks he ought to recognize the Senator from Texas.

That was a clear ruling by the Vice President of the United States that the Senator from Louisiana did not have the floor, was not entitled to the floor, and that the Senator from Texas was entitled to prior recognition under notice theretofore given.

Mr. CONNALLY. Mr. President, I wish to suggest to the Chair that what is done here in the Senate, unless there is objection made at the time, is done by unanimous consent. No one objected on that occasion, and it had the effect of a unanimous-consent agreement. So, what transpired with regard to the Senator from Louisiana yielding was with the consent of the Senate, and the consent of the Senate abrogates the rules, which otherwise requires a two-thirds vote.

The PRESIDING OFFICER. The Chair will rule on the second point of order raised by the Senator from Missouri. The Chair has had an opportunity to examine the citation on page 567. In the opinion of the Chair, it goes to prove the fact that the Senator from Louisiana did have the floor, and that the Vice President in recognizing the Senator from Texas was doing so as a matter of courtesy, in accordance with the custom of the Senate, because the Senator from Texas had given notice of the fact that he intended to address the Senate for a special purpose.

Mr. CLARK. If the Chair can put such a construction as that on the Record, I am entirely content; but I desire now to give notice that in the future the rule as to Senators yielding the floor will be enforced.

Mr. CONNALLY. Mr. President, if the Senator from Missouri will stay here and make the point when these things happen, we may be able to have the rules elucidated.

Mr. MINTON. Mr. President, I wish to ask the Senator from New Hampshire a question. He would not yield at the time he was making his speech. He made some reference to the New England flood compacts, and I think the Senator said—

Mr. CLARK. Mr. President, I ask who has the floor?

The PRESIDING OFFICER. The Senator from Louisiana [Mr. ELLENDER] has the floor. Does the Senator from Louisiana yield; and if so, to whom?

Mr. ELLENDER. I yield to the Senator from Indiana.

Mr. MINTON. The Senator from New Hampshire [Mr. BRIDGES] said that something had happened to these flood compacts. I desire to ask the Senator if it is not true that what happened was that the flood compacts were drawn after this fashion: The Federal Government was required to pay 75 percent of the cost of the projects, but the title to the dam sites and the land upon which the projects were constructed was retained by the various States. Is not that correct?

Mr. BRIDGES. I do not know.

Mr. CLARK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Chair will state that under the custom of the Senate the Senator having the floor may yield only for a question.

Mr. ELLENDER. I yield for a question only.

Mr. MINTON. A question to whom?

The PRESIDING OFFICER. A question to the Senator having the floor.

Mr. ELLENDER. I yield to the Senator from Indiana for a question.

Mr. MINTON. I cannot ask the Senator a question regarding a matter which he does not know anything about.

#### PREVENTION OF AND PUNISHMENT FOR LYNCHING

The Senate resumed the consideration of the bill (H. R. 1507) to assure to persons within the jurisdiction of every State the equal protection of the laws and to punish the crime of lynching.

Mr. ELLENDER. Mr. President, I was very glad to yield to my good friend from New Hampshire [Mr. BRIDGES]. At the time I yielded I was reading from *Race or Mongrel*, by Alfred P. Schultz, with particular reference to chapter VII, which had to do with the Egyptian race. It will be remembered that the chapter concludes that the amalgamation of the white race, particularly with the Negro race, forms a mongrel that remains stagnant.

In order to further prove my point I shall again quote from other writers on the subject. The writer from whom I am about to quote apparently has made an exhaustive study of the subject, and in his book he has taken a great deal of information from prominent writers on Egyptian history. I now read from page 81 of Cox on White America:

The best known authority upon Negro history, Sir Harry Johnston, tells us that the Egyptians were a Caucasian people and that their early contact with the Negro imparted to that race all the arts of civilization they possessed up to the coming of the Persians, Greeks, Romans, Arabs, and modern Europeans to the continent of Africa. Breasted—

Who is an eminent historian and now connected, I believe, with the University of Chicago—

Who is second to no other authority in matters pertaining to early Egypt, recognizes the early date of the beginnings of this admixture with the Negro peoples to the south of Egypt, but dismisses the assumption that the Egyptians were themselves a Negroid people with "the conclusion once maintained by some historians, that the Egyptians were of African Negro origin, is now refuted."

After following the history of Egypt during the period of greatness and through the decay to the time mulattoes were sitting upon the throne of the once illustrious Pharaohs, Breasted recognizes that Negro blood had reached the aristocracy, and concludes that it was this blood which rendered the Negroid dynasty unfit for progress.

Quoting now from Breasted's *History of Egypt*, at page 28 he states:

It was, indeed, now patent that the Ethiopians were unfitted for the imperial task now before them. The southern strain with which their blood was tinged began to appear as the reign of Shabataka drew to a close, about 688 B. C.

I omit a few very interesting pages; and, by the way, let me say that I do not care at this time to inflict on the Senate the reading of this entire book, as fine as it is. I propose to select but a few passages from this authority in further proof of the fact that the Egyptian race at its inception was a white race; that while the Egyptians remained a white race their progress was unhampered. They were advancing. They were making progress at every step. But just as soon as there was an admixture or an amalgamation of the pure Egyptian white race with that of the colored strain decay resulted, until finally the time came when a mulatto by the name of Teharka was at the head of the Egyptian Government. That in the period before that amalgamation with the Negroes there was a constant progressive increase in scientists and men of letters in Egypt; but the moment the white blood became mixed and mongrelized with the Ethiopians, with the Africans, decay followed.

Reading from this authority:

We have seen that the Egyptians of the creative period were of the white race. It now remains for us to trace in outline their great culture in order to appreciate the heights from which they fell. At the same time, we will keep in mind that the Egyptian civilization decayed. When the Asiatic conquerors (white people—Assyrians and Persians) came, they found a corrupted mass bearing the name Egyptian, ruled by a mulatto Pharaoh.

Drawing, in the main, upon *History of Egypt* (Breasted) but disclaiming any purpose to identify this authority with any opinion here presented, save inasmuch as data given by him is inseparable from the conclusions we reach, we now will observe the salient outlines of Egyptian culture.

Thirty-four hundred years B. C. the kingdoms of Upper and Lower Egypt were consolidated under the rule of Menes, the first Pharaoh. It was the northern kingdom, the Delta region, farthest

removed from the Negro to the south and in close contact with the other white peoples of North Africa and Asia Minor, that at the time of the consolidation was most advanced.

And why were they most advanced? Because they were farther removed from the Ethiopians.

Quoting from James Henry Breasted, the eminent author and professor of history at the University of Chicago, at page 88 of this book, he says:

That civilization was probably earlier and more advanced than that of the valley above. Already in the forty-third century B. C., the men of the Delta had discovered the year of 365 days, and they introduced a calendar year of this length. \* \* \* It is the civilization of the Delta, therefore, which furnishes us with the earliest fixed date in the history of the world.

This same Menes, who appears in history as the first Pharaoh, "carried his arms southward against northern Nubia, which then extended below the first cataract as far northward as the nome of Edfu, and built a dam above the city of Memphis to divert the waters of the Nile to gain more room for that city. The swamplands of the Delta were being reclaimed as before the consolidation of the two kingdoms, and the rich lands obtained drew to the Delta a rapidly increasing population."

The first Pharaoh is seen to have reigned over a people able to divert the waters of the Nile, reclaim the swamplands of the Delta, and, important for our consideration, to wage a warfare against the Negroid peoples of Nubia. The inhabitants of Nubia were less Negroid at this and earlier periods. Some authorities think that the draining of the Delta swamps led to a rapid movement of the inhabitants northward to that region, leaving behind the more feeble, and that these latter were not able to stem the migration into Nubia of the highly Negroid populations which connected white Egypt with Negro Africa.

That portion of Egyptian history covered by the reign of the Pharaohs is divided into 30 dynasties or family reigns. The greater number of these families were related more or less closely by blood ties. Space prevents detailed reference to the material culture of the unknown period of time referred to as the predynastic age. The first Pharaoh, Menes, came into possession of a kingdom far removed from barbaric conditions. We are not to trace a civilization in its rudiments, but one possessing an already well established background of tradition and attainment.

In addition to those attainments implied in the activities already mentioned, the people under the first Pharaoh are known to have used not only the hieroglyphic, but a cursive hand as well, and thus to have antedated by more than 2,500 years the use of alphabetic signs by any other people.

The second dynasty erected stone temples. Namar, an early king, took 120,000 Libyans captive, and of their herds "1,420,000 small, and 400,000 large cattle." There is evidence that "the kings of this time maintained foreign relations with far remoter people" than the Bedouins of the Sinaitic Peninsula, and that they were in commercial relations with the peoples of the northern Mediterranean in the fourth millennium B. C.

Dynasties three to six, inclusive (2928-2475 B. C.), form that period known as the old kingdom. In religion, government, society, industry, and art the old kingdom is revealed as a well-constituted state, exhibiting rapidly developing culture, physical and spiritual, superior to the culture of the dynasties to follow.

The Egyptians were a religious people who at this remote date devoutly believed in the resurrection of the body after death and in the immortality of the soul. Osiris was their god of the dead, "king of the glorified." Of a just man they said, "As Osiris lives, so shall he live; as Osiris died not, so shall he also not die; as Osiris perished not, so shall he also not perish." They believed that a ferryman would row the departed to the land of the glorified, but that this ferryman would receive only those of whom it was said, "There is no evil which he has done." This is the "earliest record of an ethical test at the close of life, making the life hereafter dependent upon the moral quality of the life lived in this world." It will doubtless surprise the average reader to learn that such exalted religious teachings were held by the Egyptians more than 4,000 years ago.

This was when the mongrel mixture started. By the way, in what I read in chapter VII of the book *Race or Mongrel* a short time ago this thought is emphasized:

At a later period their religion became debased; the animal worship, which we usually associate with ancient Egypt as a cult, is a late product, brought forward in the decline of the nation at the close of its history.

That period was the time to which I referred awhile ago, when Egypt was ruled by a mulatto, who had, through inheritance, obtained the throne of Egypt, and, as I stated before, and from the time this mulatto became head of the Egyptian Government, decay set in.

Turning from the high spiritual conceptions of the ancient Egyptians, we are struck with no less wonder when we behold their social and material culture. Within the home, the wife was in every respect the equal of the husband, and was treated as such.



We thought we were "moderns" when we voted suffrage to the women of America several years ago, but it seems that the Egyptians anticipated us by thousands of years.

Filial affection and obedience to parents were enjoined upon all youths, and a favorite tomb inscription was, "I was one beloved of his father, praised of his mother, whom his brothers and sisters loved."

But it is not in their religious or their social attainments that the early Egyptians were most conspicuous. Their use of metal tools dates back to such early times that some capable authorities assert that the Egyptians initiated the "age of metals." Let us not fail to appreciate the importance of such a step in the history of man. Prior to the invention of metal implements the tools used in the industries and the arts were those made from stone, reed, and bone. Consider the limitations upon the individual and upon the nation imposed by such possessions. It required infinite patience to fashion these tools and to make advantageous use of them. Industrial progress, of necessity, would be slow. But with the use of metals industry would take a rapid course upward, and the people in possession of such culture would become strong in war as well as in the arts of peace. So Egypt's visible greatness descends to us as the result of the early use of metal tools. "They brought from the first cataract granite blocks. They drilled the toughest stone, like diorite, with tubular drills of copper, and the massive lids of the granite sarcophagi were sawn with long copper saws, which, like the drills, were reinforced with sand or emery."

With creative genius awakened, and conscious of their constructive talent the Egyptians sought yet greater triumphs. Their kings, through a not always generous rivalry, wished to build imperishable monuments to their power, and this desire to live in the eyes of posterity gradually found expression in the pyramid tomb. A succeeding Pharaoh, viewing the tombs of his predecessors and profiting by the increase of wealth and architectural knowledge, would demand a yet greater monument to his glory. The existing generation would subscribe to his aspiration, for the pyramids were recognized as national achievements. So the age of the mighty pyramids was ushered in. These are the most conspicuous evidence of Egyptian greatness; and in the ability of the engineers in planning and overseeing, and the organized power of the Pharaohs in bringing them to perfection, we catch a glimpse of the Caucasian civilizers of Egypt which must forever impress us with the height of their power and make it an absorbing study to discover the causation of their decline.

Mr. President, I shall not read the paragraphs which follow because the text is in the nature of more history and examples, merely emphasizing what I have just said, so I will skip to page 98 and read further in an effort to emphasize again the circumstances under which the Ethiopians, the Negroes from a country nearby, came to the aid of the Pharaohs in defending themselves against invaders, and also to help build the pyramids. Listen to this:

The Pharaohs' use of multitudes of Negro troops against the enemies of Egypt had much to do with the final decay of Egyptian civilization. This custom continued for centuries. It became so universal that the Egyptian word for soldier is derived from the name of a powerful Negro tribe long accustomed to furnishing levies for the Egyptian armies. "We know little of the Negro and Negroid tribes who inhabited the cataract region at this time. Immediately south of the Egyptian frontier dwelt the tribes of Wawat, extending well toward the second cataract, above which the entire region of the upper cataracts was known as Kush. . . . In the upper half of the huge 'S' formed by the course of the Nile between the junction of the two Niles and the second cataract, was included the territory of the powerful Mazoi who afterward disappeared as auxiliaries in the Egyptian armies in such numbers that the Egyptian word for soldier ultimately became 'Matol' a late (Coptic) form of Mazoi. Probably on the west of the Mazoi was the land of Yam and between Yam and Mazoi on the south and Wawat on the north, were distributed several tribes, of whom Irthet and Sethut were the most important. . . . They dwelt in squalid settlements of mud huts along the river or by wells in the valleys running up country from the Nile."

The old kingdom ended with the sixth dynasty (2475 B. C.). Space will not permit an attempt to portray the heights of Egyptian culture during that succeeding period known as the Empire. Let us omit, say, a thousand years of history and search for light upon the Egyptian Negro problem. This omission will bring us to approximately 1500 B. C. The Negro policy of the Empire will be found to be not radically different from that of the white nations now ruling Africa. We do not believe that the modern European has taken a leaf out of Egyptian history and modeled his Negro policy accordingly, but there is a striking similarity in method and intent. "Egyptian temples had now sprung up at every large town, and the Egyptian gods were worshiped therein; the Egyptian arts were learned by Nubian craftsmen, and everywhere the rude barbarism of the upper Nile was receiving the stamp of Egyptian culture. Nevertheless, the native chieftains, under the surveillance of the viceroys, were still permitted to retain their titles and honors, and doubtless continued to enjoy at least a nominal share in the government. . . . The annual landing of the viceroys of Thebes, bringing the yearly tribute of all the Nubian lands, was now a long-established custom."

Now I read from page 101, beginning with the second paragraph:

From prehistoric time the Negro had sifted into the country. Many thousands came as soldiers for the Pharaohs of old, just as some modern rulers of Europe found it less costly to employ Negro mercenaries than white troops. Countless numbers had come as slaves—many included in the yearly tribute of the southern dependencies—others as captives taken in war; while the large levies for the purposes of labor, even if not forcibly retained by Egyptian authorities, would find the Egyptian environment superior to their squalid settlements, and seek to remain.

Certain of the Pharaohs sought to prevent the mongrelization of Egypt by restricting Negro immigration, even to the extent of inflicting the death penalty upon the immigrant.

Just think of that. The Pharaohs, the white rulers of Egypt, realizing what might happen to their civilization, sought to prevent immigration of the Negro race by making it a capital offense for any Negro immigrant to come within their borders.

Mr. President, I am drawing on my imagination now. It may be that the Pharaohs of those days waited too long. They saw what was coming, but it was too late when they acted. The pyramids had been built. Thousands of these blacks had come in as soldiers. Thousands had been imported in order to help build the pyramids. They were there in Egypt, mingling with the Egyptians. They could not be gotten rid of. My warning is, as I said this morning, as I said Monday, as I said Saturday, as I said Friday, that America had better open its eyes before it is too late. This may not affect me; it may not affect any Senator in the hearing of my voice; but I am looking forward to years to come.

I may say in passing that it is stated in the book on Egyptian history from which I have just been reading, that the mulatto who became ruler of Egypt received the throne by inheritance, by direct blood descentance, by intermarriage; and I will say to the Senator from Arizona [Mr. ASHURST] that I conceive that it required a great deal longer period for a person with Negro blood to become ruler in Egypt than it would require in America, where we have a republican form of government, and where the President, the Senators, and Representatives are elected by the people, not for lifetime but for short periods of time. That, to my mind, would make a great difference. Thirteen hundred years elapsed from the time the white Pharaohs were rulers to the time when they were succeeded by mulatto rulers. Here in America we have a republican form of government; and if the colored race amalgamates with the white, if the colored race is able to put on the Federal statute books and on the statute books of the various States of the Union, laws that draw the colored race closer to the social plane of the white man, the complete cycle will not take as long in America as it required in Egypt.

I continue to read from this author:

Certain of the Pharaohs sought to prevent the mongrelization of Egypt by restricting Negro immigration, even to the extent of inflicting the death penalty upon the immigrant. But the Negro was a docile, subservient workman and soldier, and these characteristics created a demand to the influence of which less enlightened Pharaohs succumbed. So they came for centuries; not by force of arms in battle array, but as a subjugated and enslaved people. That the blood of a people who had not produced a civilization should have been instrumental in lowering the status of the Egyptians so that progress ceased is a lamentable event in world history. Negro blood made the proud Egyptian a mongrel. For 3,000 years the same Nile has flowed, the same richly laden soils from its upper reaches annually have inundated the land, but the Negroid Egyptian has known no progress. Thirty centuries have demonstrated that the mulatto of the lower Nile, like the true Negro of its equatorial branches, is below the level of progress. The Caucasian at best progresses but slowly—mixed with the Negro, he progresses not at all.

Mr. President, let me quote the conclusion reached by another eminent Egyptian authority. I refer to Maspero's History of Egypt, volume 7, page 259. In this volume the author proceeds in a very elaborate manner. He covers the period in Egyptian history I have referred to in more detail. This author comes to the following conclusion:

The bulk of the population consisted of settlers of Egyptian extraction and Egyptianized natives; but isolated, as they were, from Egypt proper by the rupture of the political ties which had bound them to the metropolis, they ceased to receive fresh reinforcements from the northern part of the valley as they had formerly done, and

daily became more closely identified with the races of various origin which roamed through the deserts of Libya or Arabia.

Listen to this:

This constant infiltration of free or slavish Bedouin blood and the large number of black women found in the harems of the rich, and even in the huts of the common people, quickly impaired the purity of the race, even among the upper classes of the nation, and the type came to resemble that of the Negro tribes of Equatorial Africa. The language fared no better in the face of this invasion, and the written character soon became as corrupt as the language; words foreign to the Egyptian vocabulary, incorrect expressions, and barbarous errors in syntax were multiplied without stint. The taste for art decayed and technical ability began to deteriorate, the moral and intellectual standard declined, and the mass of the people showed signs of relapsing into barbarism.

Senators, that is the picture which that authority on Egyptian history paints of what became of Egypt, which had a great civilization of which its people were proud, and of which we today are glad to read.

I have quoted from several authors. I am now going to quote from the Bible and show Senators that Isaiah predicted the downfall of the Egyptian Nation, because, I suppose—I am again drawing on my imagination—Isaiah could foresee that a mixture of the white Egyptians with Negroes—the mongrelization of the Aryan race—would spell deterioration and the downfall of Egypt.

Before I read that quotation from the Bible I ask Senators not to follow me but to follow the Great Emancipator of the Negro race, Abraham Lincoln. I am going to take the privilege of again quoting from the book *White America*.

Senators, listen to this:

Stephen A. Douglas, in his contest with Abraham Lincoln for a seat in the United States Senate (1858), said:

"I am opposed to Negro citizenship in any and every form. I believe that this Government was made by white men for the benefit of white men and their posterity forever."

There is sufficient warning from the lips of a great statesman. Let us see what Abraham Lincoln said in answer to that statement by his then opponent:

The immortal Lincoln answered Douglas with, "I will say then, that I am not, nor ever have been, in favor of bringing about in any way the social and political equality of the white and the black races—that I am not, nor ever have been, in favor of making voters or jurors of the Negroes nor of qualifying them to hold office, nor to intermarry with white people; and I will say in addition to this, that there is a physical difference between the white and black races which I believe will forever forbid the two races living together on terms of social and political equality."

That, Members of the Senate, is an extract from a speech made by the immortal Lincoln on September 18, 1858, at Charleston, Ill.; and that, in my humble opinion, ought to be a sufficient warning to the white people of America today.

I now desire to go to the Bible, and give just a short quotation to show that Isaiah predicted the very thing that did happen years before it happened, when he foresaw the mixture of the Egyptian whites with the Ethiopian Negroes.

I beg your attention—

In the year that Tartan came unto Ashdod (when Sargon the king of Assyria sent him) and fought against Ashdod, and took it.

At the same time spake the Lord by Isaiah the son of Amoz, saying, "Go and loose the sackcloth from off thy loins, and put off thy shoe from thy foot." And he did so, walking naked and barefoot.

And the Lord said, "Like as my servant Isaiah hath walked naked and barefoot 3 years for a sign and wonder upon Egypt and upon Ethiopia;

"So shall the king of Assyria lead away the Egyptians prisoners, and the Ethiopians captives, young and old, naked and barefoot, even with their buttocks uncovered, to the shame of Egypt.

"And they shall be afraid and ashamed of Ethiopia their expectation, and of Egypt their glory.

"And the inhabitants of this isle shall say in that day, 'Behold, such is our expectation, whither we flee for help to be delivered from the king of Assyria; and how shall we escape?'"

I have just read from the Bible, from the twentieth chapter of Isaiah. Mr. President, I repeat that the fate of Egypt ought to be a warning to us.

Now, Mr. President, I desire to direct my remarks to our leader, the Senator from Kentucky [Mr. BARKLEY]. I cannot possibly conclude my remarks this afternoon, and I understand that at 5 o'clock the Senator desires to move to recess. I am about to start giving a little history of India.

Mr. BARKLEY. Mr. President, I think it is too late to go into India.

Mr. CLARK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLARK. If the Senator from Louisiana now yields to the Senator from Kentucky for the purpose of making a motion, does he lose the floor?

The PRESIDING OFFICER. He loses the floor.

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. In view of the notice previously given by the Senator from Missouri [Mr. CLARK], the Chair holds that the only purpose for which the Senator from Louisiana may yield without losing the floor is in response to a question. Does the Senator from Louisiana yield?

Mr. ELLENDER. Mr. President, is the procedure under which we have gone along up to this time to be altered?

The PRESIDING OFFICER. There is no change in the procedure. The statement just made by the Chair is in accordance with all the precedents after notice has been given.

Mr. ELLENDER. Mr. President, I yielded to the Senator from Kentucky because I thought the procedure which has prevailed in the past would prevail at this time. I have had the floor now for 4 successive days, and when I yielded to the Senator from Kentucky it was my understanding that the procedure that has prevailed in the past would prevail at this time. However—

Mr. CLARK. Mr. President, I do not understand that the Senator from Louisiana has yielded.

The PRESIDING OFFICER. The Senator from Louisiana has the floor.

Mr. ELLENDER. Since I have the floor, I will continue. It is perfectly agreeable with me to continue the debate if Senators do not desire to recess at this time.

Mr. McKELLAR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McKELLAR. Is this a continuation of the first speech of the Senator from Louisiana?

The PRESIDING OFFICER. This is the second speech of the Senator from Louisiana on the amendment of the Senator from Illinois [Mr. LEWIS], as amended.

Mr. ELLENDER. Mr. President, I cannot see that any progress will be made by the position of the Senator from Missouri [Mr. CLARK]. There are quite a number of amendments pending, and I believe I may speak on all of the amendments as often as I can and as long as my capacity will permit. I myself have about half a dozen amendments which I propose to offer. If the Senator from Missouri desires to insist on changing the procedure, of course, he is at liberty to do so.

Mr. BARKLEY. Mr. President—

Mr. CLARK. Mr. President, if the Senator from Louisiana will yield, at the suggestion of the majority leader that probably it is not best to give notice of the enforcement of the rules at the close of a session, I withdraw my parliamentary inquiry and suggestion of objection; but I give notice that some of the Members of the Senate desire that the Senate proceed with the consideration of business, and that beginning tomorrow objection will be made to any departure from the rules of the Senate.

Mr. ELLENDER. That is fair enough, Mr. President.

The PRESIDING OFFICER. Very well. The Senate, then, is now operating under the usual procedure.

Mr. ELLENDER. I understand that I am to have the floor tomorrow. Is that correct?

The PRESIDING OFFICER. That is the understanding of the Chair.

Mr. BARKLEY. Mr. President, in that connection it may be fairly stated that all the rules of debate have been violated during the progress of this discussion. No Senator may yield to another Senator, except for a question, without losing the floor. No Senator may yield for a point of



no quorum without losing the floor. On the basis of that rule, every Senator who has spoken has lost the floor time and again; but the rules have not been observed. They have not been enforced, and we have gone along by unanimous consent.

I do think that the conclusion of a day's proceedings probably is not the best time to insist on the observance of a rule which might have been invoked at any time during the day. For that reason I suggested that the rule be not invoked at this particular time.

(At this point Mr. AUSTIN, by unanimous consent, submitted a report from the Committee on the Judiciary, which appears under its appropriate heading in today's RECORD, p. 680.)

## RECESS

Mr. BARKLEY. I renew my motion that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 5 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, January 19, 1938, at 12 o'clock meridian.

## HOUSE OF REPRESENTATIVES

TUESDAY, JANUARY 18, 1938

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Heavenly Father, blessed be Thy holy name forever, O Thou in whose infinite wisdom, power, and goodness rests the destiny of men and nations, we beseech Thee that we may live up to the full measure of Christian manhood. Be graciously inclined toward us and endow the Congress with just and willing minds. With faith and confidence in an overruling Providence, may we patiently submit ourselves to all the obligations and vicissitudes of life. Assure us, O Lord, that all things work for good to them that love God. Whatsoever things are true, whatsoever things are honest, whatsoever things are just, whatsoever things are pure, whatsoever things are lovely, whatsoever things are of good report, if there be any virtue and if there be any praise, help us to think on these things. We pray in the name of our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

## EXTENSION OF REMARKS

Mr. MOTT. Mr. Speaker, I ask unanimous consent to extend my own remarks on the Ludlow resolution under the consent order entered on the day the matter was under consideration.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

## CALL OF THE HOUSE

Mr. RAYBURN. Mr. Speaker, I make the point of order there is not a quorum present.

The SPEAKER. Evidently there is not a quorum present.

Mr. RAYBURN. Mr. Speaker, I move a call of the House. A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

## [Roll No. 7]

Arnold	Costello	Flannery	Lamneck
Atkinson	Crowther	Gambrell, Md.	Lesinski
Barton	Culkin	Garrett	Lewis, Md.
Biermann	Daly	Gasque	McGroarty
Binderup	Deen	Gifford	McLean
Boylan, N. Y.	Dempsey	Hamilton	Mills
Brewster	De Muth	Hartley	Moser, Pa.
Buck	Dies	Jarrett	O'Connell, Mont.
Buckley, N. Y.	Douglas	Keller	O'Connor, Mont.
Caldwell	Drewry, Va.	Kenney	O'Neill, N. J.
Cannon, Mo.	Driver	Kerr	Owen
Cartwright	Eckert	Kinzer	Palmisano
Clark, N. C.	Elliot	Kniffin	Pettengill
Cole, Md.	Englebright	Kocalkowski	Poage
Connery	Flannagan	Lambertson	Powers

Reece, Tenn.	Snell	Thomas, N. J.	Whelchel
Rogers, Okla.	Somers, N. Y.	Tinkham	Zimmerman
Smith, Maine	Swope	Towey	
Smith, Okla.	Taylor, Tenn.	Wene	

The SPEAKER. Three hundred and fifty-six Members have answered to their names, a quorum.

On motion of Mr. RAYBURN, further proceedings under the call were dispensed with.

## EXTENSION OF REMARKS

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Georgia, Mr. WHELCHER, may have unanimous consent to extend his own remarks in the RECORD on the wage and hour bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

## COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. BLAND. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries may sit during the session of the House today.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

## ORDER OF BUSINESS

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RAYBURN. Mr. Speaker, yesterday afternoon, as the Committee was dividing on a very important amendment, we found ourselves without a quorum. If we will keep a quorum in the Committee we should finish the reading of this bill within the hour. Then I think the Members will be called back if there is not a quorum here because there may be some roll calls on amendments. Immediately on the completion of the consideration of this bill the gentleman from North Carolina [Mr. UMSTEAD] will present the appropriation bill for the Navy Department.

I thought I would make this announcement in order that the Members might know the situation.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. RAYBURN. I yield.

Mr. MARTIN of Massachusetts. When we consider the Navy Department appropriation bill will the gentleman arrange to have ample time for debate? This is a very important subject and there is great demand to talk on the measure.

Mr. RAYBURN. I have not discussed the matter with the gentleman from North Carolina, but I presume the gentleman from North Carolina and the minority members of the committee have attended to that. It is the intention, if we may, to pass the Navy Department appropriation bill before adjournment on Thursday.

Mr. MARTIN of Massachusetts. Thursday or Friday.

Mr. RAYBURN. The situation is that we ought to get into the Navy bill by 2 or 2:30 p. m. today. Tomorrow is Calendar Wednesday, but there will be only one committee called, which is the only one ready with any business of the three or four committees that might be called, and that is the committee of the gentleman from Tennessee [Mr. McREYNOLDS]. That committee will take about one-half or three-quarters of an hour and then we can go back into the consideration of the Navy bill, and Thursday we hope we may be able to complete its consideration. If not, we will go along with its consideration on Friday. If the Navy appropriation bill is completed on Thursday the Speaker, as I understand, will recognize the gentleman from Maryland [Mr. KENNEDY] to call up his omnibus claims bill.

[Here the gavel fell.]

## TREASURY AND POST OFFICE APPROPRIATION BILL, 1939

Mr. LUDLOW. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the

state of the Union for the further consideration of the bill (H. R. 8947) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1939, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 8947, with Mr. GREENWOOD in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose yesterday there was pending an amendment offered by the gentleman from Virginia [Mr. BURCH]. After debate upon the amendment a quorum failed to vote upon it, when the point was made by the gentleman from Indiana [Mr. LUDLOW]. Mr. LUDLOW then moved that the Committee rise. Therefore, the pending question is on the amendment offered by the gentleman from Virginia [Mr. BURCH].

Mr. O'MALLEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. O'MALLEY. Can we have the amendment read for the information of the Committee at this time?

The CHAIRMAN. It may be read by unanimous consent.

Mr. O'MALLEY. Mr. Chairman, I ask unanimous consent that the amendment be read.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will read the amendment.

The Clerk read as follows:

Amendment offered by Mr. BURCH: Page 66, line 12, after the word "added", insert a period and strike out the remainder down to and including line 16.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

The question was taken; and on a division (demanded by Mr. LUDLOW) there were—ayes 108, noes 40.

So the amendment was agreed to.

The Clerk read as follows:

Rent, light, fuel, and water: For rent, light, fuel, and water, for first-, second-, and third-class post offices, and the cost of advertising for lease proposals for such offices, \$11,250,000.

Mr. THOMPSON of Illinois. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. THOMPSON of Illinois: Page 67, line 18, strike out "\$11,250,000" and insert "\$12,375,000."

Mr. THOMPSON of Illinois. Mr. Chairman, the purpose of this amendment is to increase the heat, light, and rent item carried in this bill by 10 percent. I think all of us will agree that with the substantial building program that has been carried on in the last 5 or 6 years, practically all of the rent, or the major portion of it, goes for quarters of third-class offices. I believe that the Congress of the United States, by providing adequate funds, should raise the standard of the buildings that are used in the small communities for postal purposes. It has long been the policy of the Department to rent about the cheapest building that can be found in small cities, and it wants choice locations, on the main street. The Government has been paying in some instances the magnificent sum of \$15 a month for such quarters, which also includes heat, light, water, and janitor service. It should be kept in mind that in many cases these properties are owned by widows and old people who are dependent upon a little rent for their livelihood. I believe it would be wise on the part of the Congress to give the Department additional funds in order that the post-office inspectors and other officials of the Department who go out to negotiate these leases could be a little more liberal with these people in the small communities, to the end that better buildings could be secured that are in keeping with the dignity of the Postal Service. I know every Member of this House, outside of those who represent large cities, is ashamed of many of the buildings used for post-office purposes in their districts. I think this Congress, spending as much money as it does for

mail service, should at least insist that the post offices in the smaller cities and towns should be in clean, well-ventilated, sanitary, and adequate locations.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of Illinois. Yes.

Mr. MAY. The gentleman will recall that, just before this Congress met, the President made a statement in which he said he wanted to balance the Budget; he was going to put it squarely up to the Congress to balance the Budget, and if it was not balanced the obligation would be on the Congress and not upon him. I am in very great sympathy with the gentleman's proposal to give the little post offices a chance; but if we do not commence cutting, or rather if we do not cease increasing in this bill, what are we going to do when we get to the relief bill? The gentleman is a member of the Ways and Means Committee. Where will you get the taxes?

Mr. THOMPSON of Illinois. We will meet the relief problem when it comes up. I do not think it should be taken out of the hides of the people in the small communities who own these buildings used for postal purposes. We will take care of the tax question when we get to it.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of Illinois. Yes.

Mr. MASON. Does the gentleman believe we should economize at the expense of the one-third who are ill-housed, ill-clad, and ill-fed; and that is where this money is coming from, is it not?

Mr. THOMPSON of Illinois. I do not believe we should economize in the manner suggested by the gentleman from Illinois.

Mr. MICHENER. Where would the gentleman suggest we begin to economize?

Mr. THOMPSON of Illinois. That is a big problem. Let me reiterate in reply to the gentleman that I do not think it should be taken out of the hide of the folks who rent a little store building in a small city to the great Post Office Department that does a business of seven or eight hundred million dollars a year.

Mr. MICHENER. Does the gentleman think that the President's Budget attempts to take this out of the hide of these people?

Mr. THOMPSON of Illinois. I am talking to my own amendment. I think the item included for this purpose is too low, regardless of whether the Budget says so or not, else I would not offer the amendment. I am offering it with sincerity of purpose and because I want to see the Post Office Department use better buildings.

Mr. MICHENER. Then the gentleman disagrees with the administration merely because he is sincere.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. TABER. Mr. Chairman, I think the House ought to pass on this amendment on its merits and not on something else. I shall tell you something about the present situation and then I want you to pass on it. An average of upward of 300 buildings a year are being taken out of the rental class because the federally owned buildings are coming into use; as a result, our rental roll under this paragraph has gradually and steadily decreased.

The actual facts are that the expenditures for this purpose in 1937—that is, the last fiscal year—were \$14,152,000, or \$1,100,000 less than the bill now carries. The expenditures for the first 4 months of this year, down to October 31, for rental purposes, were \$4,816,000. This would leave a margin of \$650,000 saving below what we are carrying in the bill. There would be added to that \$110,000 for motortrucks. So, this year, there is an estimated saving to the country of upward of \$500,000.

Mr. JOHNSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. JOHNSON of Texas. As I understand the gentleman's statement it is that we have been appropriating more money than we are spending for this purpose.



Mr. TABER. Absolutely. We are going to save \$500,000 according to the committee figures on this item this year, with an appropriation of the same amount. I cannot understand with these 300 new buildings coming in and calling for a smaller rental list how it is possible to need an increased appropriation to take care of rentals the coming fiscal year.

Mr. LAMBERTSON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. LAMBERTSON. And because of the recession the Department can rent buildings cheaper than it could before.

Mr. TABER. That is true. I do not want to take advantage of any situation or have a situation where we are not adequately providing for the needs of the Government. That is not necessary, for we have provided a liberal and ample margin. I hope that the committee will not agree to this amendment.

Mr. LUDLOW. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is a poor place to raise a sympathy plea. The amendment offered by my friend the gentleman from Illinois, if it means anything at all, would mean the giving of \$1,125,000 to a lot of property owners, many of whom are rich, who have this property and want to rent it to the Government. No possible advantage whatever can flow to any employee from this increase; it is a matter of how much rent the Government shall pay. The beneficiaries of the big hand-out provided for in this amendment would be property owners who do not need and who should not receive this gift from the Treasury.

Six hundred and eighty-three leases will expire in 1938. These have run over a period of 10 years and were entered into at a time when property was renting at a high figure. It is absolutely certain that these leases will be renewed at a reduced figure, and we have taken that into consideration in making this allowance. As a matter of fact, these leases are made on competitive bids, and there will be a great many competitors. There is no reason in the world why this increase should be made, and no advantage whatever will flow to any class of postal employees through the granting of this increase proposed by the gentleman from Illinois.

I hope that the amendment will be voted down.

Mr. RAYBURN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not know whether it is going to be effective or not, but from this time forward, when these appropriations are before the House, I am going to take each opportunity that presents itself to call the attention of this House again and again to the condition of the Government's finances.

As I said yesterday afternoon, some of these days, whether we want to or not, we have got to do what the sane individual would do, what the sane, sound management of a corporation would do if it is to continue to operate; that is, at some time this Government must balance its outgo with its income. [Applause.] It appears since yesterday that any amendment offered to increase these amounts, even though the amounts carried in the bill are all the Budget asked for and all this Committee, after due consideration, thinks is necessary to conduct this Department of the Government, has been adopted. Of all the amendments that have been offered, the one offered by the gentleman from Illinois, it seems to me, is the most unjustified and unjustifiable. We have been building post offices in practically every congressional district in the United States. Is it possible that this is not going to take some rental charge off the Government? And, let me say, I live in a district of small towns; there is nothing that approaches a large city in the district I represent. The most popular tenant in any town is a Federal agency. There will not be a post-office site or building rented in the district I represent but what there will be from three to a dozen offers of buildings that are standing there idle earning absolutely nothing. If we are going to build post offices and Federal buildings in order to take the Government out of the renting

business, but still be forced to carry as much or more rental as we had to carry to begin with, then we are doing a thing that is not justified either in economics or in plain common sense.

I feel certain that the amount carried in this item is amply sufficient to take care of the rentals. This being so, why add the \$1,250,000 or more to the bill when the Government has no trouble whatever in getting splendid buildings in these towns? The last contracts were made at a time when rents were higher than they are now. Renewals and new leases should be at a lower figure.

I therefore plead with this House, and especially with the Members on this side of the aisle, to remember now, when our Budget is not balanced, when the credit of the Government may be injured, that the responsibility and the blame is going to be on the majority party where it should be. [Applause.]

[Here the gavel fell.]

Mr. LAMBERTSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am opposed to the amendment offered by the gentleman from Illinois, but I do not agree with the statement of the majority leader to the effect that this is an unjustifiable increase. I think it is reasonably worthy. There are a lot of vacant buildings in our little towns and third-class cities, plenty of them; but I know that the Post Office Department is adopting the policy of taking the cheaper ones, ones below the standard of decency the Government should maintain, taking such buildings in order to save \$2 or \$3 a month, particularly if the better building is owned by a Republican, or if the present post-office building is owned by a Republican.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. LAMBERTSON. I yield.

Mr. LUDLOW. Is it not true they are required to take competitive bids?

Mr. LAMBERTSON. No.

Mr. LUDLOW. It certainly is.

Mr. LAMBERTSON. No; that is just on paper. I know they are taking buildings lower than a decent standard for the town at some points because a Democrat owns the building that is not occupied. However, that is not the big thing here. I think there is a sufficient amount here, on the whole.

The question was asked only a little while ago by the gentleman from Michigan [Mr. MICHENER] where shall we begin in balancing the Budget? I want to answer that question, and I want the floor leader to hear my answer to the proposition, Where shall we start to balance the Budget? We ought to start balancing the Budget by not appropriating any more money for things that the President himself has started in the last 3 or 4 years—the things for which he furnished the first money. He wants to start cutting down on vocational education, Federal aid for roads, and things that were here before he came into office, but he is not willing, and you on that side are not willing, to start cutting down on the various proposals he has started within the last 3 years. That is the place to start to balance the Budget. Stop those things he has started.

One of the big arguments against the veto item proposed by the Woodrum amendment was that the President normally and naturally would not eliminate and reduce items for the particular things he had started, but would pick out some of the others that were started before he came into power. The thing we have to contend with in this session of Congress in connection with these appropriation bills is continuing items that the Chief Executive initiated under his unmarked appropriations, the power he insisted on having. That is where we ought to start to balance the Budget.

[Here the gavel fell.]

Mr. RICH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I congratulate the majority leader on the statement he made a few minutes ago. I have stood up here and criticized him when I thought he was wrong. Now I

praise his statements. If you will follow the majority leader and the statement he made a few minutes ago, this Congress cannot go wrong. It is necessary and essential that we economize in Government spending.

Mr. Chairman, we are in a serious condition. I feel as Members of Congress we have gone beyond the point we should have gone in connection with appropriations. The majority leader has given you the key to the situation, and if you will follow him it will give back to industry the opportunity to go ahead and do business. Confidence will be restored to thrifty people. If industry can be confident it is not going to be taxed to death, to pay for ruthless expenditures and many unwarranted expenditures, eventually manufacturing plants will employ the people that are now unemployed. This will mean prosperity to the American people. I repeat, the majority leader is right, and I am glad he has taken the stand he has. I am going to do everything I can to back him up on his latest assertion. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. THOMPSON].

The amendment was rejected.

The Clerk read as follows:

**PUBLIC BUILDINGS, MAINTENANCE AND OPERATION**

Operating force: For personal services in connection with the operation of public buildings, including the Washington Post Office and the Customhouse Building in the District of Columbia, operated by the Post Office Department, together with the grounds thereof and the equipment and furnishings therein, including telephone operators for the operation of telephone switchboards or equivalent telephone switchboard equipment in such buildings jointly serving in each case two or more governmental activities, \$19,650,000, of which sum not less than \$187,737 shall be available for adjustment of the compensation of employees on an annual salary basis who have completed 1 year of satisfactory service prior to July 1, 1938, and who have not, before such date, received an advance in pay: *Provided*, That in no case shall the rates of compensation for the mechanical labor force be in excess of the rates current at the time and in the place where such services are employed.

Mr. CREAL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, numerous amendments to this bill have been agreed to, some of which have a great deal more merit than others. Perhaps some of them have very little merit at all. I voted for some of them and for others I did not.

One amendment that was agreed to, in my judgment, has a great deal more merit than any of the others and there will probably be a roll call on it. That is the amendment which provides for a slight increase in the appropriation for clerks in the third-class post offices. I had the honor of serving as a member of the Post Office Committee, and every Member of this House who has a third-class post office or post offices in his district is well aware of the fact that there are two sets of postal employees that are the goats so far as pay goes. One set is the old star-route mail carriers and the other is the clerks in the third-class post offices.

A great injustice is being done, for this reason: Here is a third-class post office that lacks only a few dollars of being in the second class. We appropriate \$85 a month for two clerks. There is no difference in the hours. There is very little, if any, difference in the kind of work they do. In the adjoining county is a second-class post office and there are two or three clerks who receive \$1,800 or \$2,000 a year and work on an 8-hour basis. The clerks in the third-class post-office may work from 10 to 14 hours a day. There is too much of an inequality in those two classes of employees.

May I direct attention to another thing. These third-class post offices turn money into the Treasury over and above their upkeep. As soon as one of these third-class post offices passes into the second class division, with this additional help and additional salary, it becomes a liability and costs more to maintain, when, as a matter of fact, as a third-class office it was actually turning money into the Treasury over and above its cost. These offices cannot operate with one man. We give them \$85. It takes two men at all times, in addition to the postmaster. The result is that the third-class postmasters work from 14 to 15 hours a day, from 5 in the morning until 7:30 at night.

I want to point out this particular item, on which there will probably be a roll call, as the most meritorious amendment that has been agreed to by the Committee. When we increase the appropriations and add money for additional hire, every department of the Government takes that money and increases the salaries at the top. The increase never reaches the little man. Every department of the Government has been guilty of that to some extent when we have appropriated additional money for more help. It just finds its way into increased salaries for the higher-ups.

For the reasons stated above I voted for the particular amendment to which I have made reference. You have provided money for the second-class postmaster, a high-salaried man with some leisure time. We have the old star-route system which is still in existence. I would improve it, but I do not know just how to remedy the situation, but will aid any improvement offered. The third-class post offices are turning in more money to the Government than it costs to operate them, whereas we pay to the employees of other post offices more than they return to the Government.

[Here the gavel fell.]

The Clerk read as follows:

(c) For the maintenance, upkeep, and repair (exclusive of garage rent, pay of operators, tires, fuel, and lubricants) on any one motor-propelled passenger-carrying vehicle, except busses and ambulances, in excess of one-third of the market price of a new vehicle of the same make and class and in no case in excess of \$400.

Mr. TABER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the House in Committee of the Whole has adopted a number of amendments to this bill increasing the amount in all about \$2,500,000 to \$3,000,000, although I do not have the exact figure. I only know that the committee which has had this bill under consideration has gone carefully into every single one of these items, and there is absolutely no merit to a single one of the increases. They are nothing but out-and-out raids on the Treasury, and cannot have any other purpose than to unbalance the Budget and further put the Treasury of the United States in the hole.

May I call your attention to three of these items. First, the appropriation for clerks in first- and second-class post-offices. This appropriation has been increased a million dollars, bringing the appropriation to \$199,000,000. The most expense possible I can figure out for this current fiscal year is \$197,376,000, or \$624,000 below the amount carried in the Budget, and below the amount this bill carried when it came from the committee. The indications are a lowering, month by month, of the expenditures of the Government and the Post Office Department for this purpose.

I next call your attention to the appropriation for clerks in third-class post offices, which has been increased \$250,000. The actual facts of the situation are that a large number of post offices have gone from third to second class. Every office which goes into second class results in a saving of \$1,600, while those that come in from fourth to third class result in an increase of only \$240. Therefore, for every one which goes out of third class, six can come in, and we will still have a big margin. This is the situation, and we should not allow this increase. There is absolutely no excuse for it on the evidence before the committee.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I may say I am as strong for economy as the gentleman, but I happen to know something about the conditions in third-class post offices. I know a number of offices in my district where the two clerks are receiving only \$42.50 each per month. Does the gentleman believe this is sufficient compensation for the service rendered?

Mr. TABER. It depends on how many hours they have to work.

Mr. ASHBROOK. They work from 10 to 12 hours every day.



Mr. TABER. If they have to work that long, it indicates the postmaster is not working, because if the postmaster works his 8 hours in the offices where the receipts are so low the office is kept in the third class, the two clerks do not need to work any 10 hours a day.

Mr. MITCHELL of Tennessee. What is the average pay of clerks?

Mr. TABER. It will run anywhere from \$240 to \$1,600. [Here the gavel fell.]

Mr. MEAD. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, very shortly we will report this bill from the Committee of the Whole to the House, and no doubt the subcommittee will ask for a record vote on one or two of the amendments which were adopted yesterday by the Committee of the Whole.

I want to clear up an erroneous impression which evidently is troubling the minds of some of the Members, and say that every dollar appropriated for this Department is not a dollar wasted, neither does it add one dollar to the deficit. It means an opportunity for the Post Office Department to earn another dollar of income, for to expand the Service is to increase its revenue. You cannot cut the cost of the Postal Service, even though you may be on the threshold of a depression. One of the outstanding Postmasters General of all time, Mr. Bissell, of Buffalo, N. Y., notified President Cleveland during the depression which affected the country in his administration that it would be a blunder and a mistake to cripple the postal activities, because the Post Office Department is a great agency for the acceleration of business, and during a period such as this business needs the Postal Service.

We did not ask for more than the Budget estimate, neither was the Budget estimate made a long time ago. On January 5, which is not so long ago, the Budget made this report:

#### THE COMING SURPLUS

The figures of revenues used for the fiscal years 1938 and 1939 are the revised estimates of revenue contained in the 1939 Budget as submitted by the President on January 5 last.

Postal receipts and expenditures, fiscal years 1937, 1938, and 1939

	Actual, 1937	Estimated, 1938	Estimated, 1939
Revenues.....	\$726,201,109.89	\$752,500,000	\$775,000,000
Gross expenditures.....	772,815,842.22	786,482,252	789,689,659
Gross deficit.....	46,614,732.33	33,982,252	14,689,659
Deduct nonpostal expenditures (deductible under act of June 9, 1930), and sums due to net adjustments on account of prior-year obligations and allowance for cost of maintenance of space by the Post Office Department for the benefit of other Government agencies.....	59,258,471.37	48,000,000	48,000,000
Net surplus.....	12,643,739.04	14,017,738	33,310,341

<sup>1</sup> Revised revenue estimate.

How are you going to carry on the Service with an impending surplus if you cut appropriations to the bone? Here is verification of this statement: Mr. Donaldson was asked if these Budget estimates were not prepared a long time ago, and on page 36 of the hearings he said:

You say that these estimates were prepared in September. Well, that is true, but the estimates that we prepared in September were pared by the Bureau of the Budget by \$20,000,000. So the estimates that you are now considering are not the estimates that were prepared in September.

Mr. SLATTERY. That is true, Mr. Chairman.

Another word about these two amendments which may be the subject of record votes. With regard to the carrier amendment, Mr. Donaldson said:

If there is no reduction in the volume of mail and no decrease in the area served by the carriers, we could not get by on \$138,000,000.

This statement was made to the chairman of the subcommittee.

He further testified as follows:

There would be no way in the world that we could operate next year on \$138,000,000 (for city carrier service) unless there is some

recession in business, either in the volume of mail or something that makes it possible for us to reduce the force or greatly curtail service.

In the same hearings, Mr. LUDLOW asked:

Assuming you are right, and you cannot get by with \$138,000,000 without a curtailment, where would you effect that curtailment?

And Mr. Donaldson replied:

We would have to say we will only have one delivery a day in residential sections, which would leave available a number of regular carriers to perform other services and relieve us of that substitute cost. The only thing you could do in City Delivery Service without destroying the service is just to curtail the number of deliveries and the number of collections.

In the hearings we find sufficient justification for the clerk-hire amendment:

Mr. Donaldson (p. 37 of hearings):

For the year 1939 we estimated 1,500 additional clerks, at \$1,200 per annum.

Mr. LUDLOW. That was not approved at all?

Mr. DONALDSON. No, sir. \* \* \* That was an item of \$1,800,000. Of course, they have not allowed, in the Budget estimates, any additional clerks for 1939 and none for the remainder of 1938.

Mr. Donaldson (p. 73 of hearings):

We originally estimated a cost of \$203,000,000 for 1939, with the allowances for additional help, all of which was taken out by the Budget estimates.

Mr. Donaldson (p. 79 of hearings):

\* \* \* We have in the past 3 or 4 years kept the force down to the minimum by working more substitutes than we were really justified in working \* \* \*.

Hearings, page 80:

Mr. LUDLOW. While it appears on the face of the estimates that you are asking \$3,000,000 more for 1939 than you have for 1938, the amount is just the same?

Mr. DONALDSON. That is right.

Mr. LUDLOW (hearings, p. 113):

Reverting to your clerical item, how does it happen that you have a deficiency of \$3,000,000 in that item?

Mr. DONALDSON. Our original estimate for a deficiency was more than \$3,000,000. But due to the efforts that we know this Congress is trying to make to operate with the least possible cost, we have tried to meet every demand made by the Bureau of the Budget.

This information taken from the record, I believe, is ample justification for the amendment for clerical expense which I offered in the Committee of the Whole.

The gentleman from Ohio [Mr. ASHBROOK], who was himself a postmaster, pointed out the meat of the other amendment affecting the clerks in third-class postoffices. Mr. Chairman, in this country in our third-class postoffices we have men and women who are receiving as little as \$10 a week, and they are working from 8 to 10 hours a day. There is no justification for any legislation going out of this House which will jeopardize the labor standards of the various communities of the country. We are setting a bad example, one which industry must not emulate or imitate.

Mr. Chairman, the two amendments affecting the clerks and the carriers, as well as the amendment affecting the clerks in third-class postoffices, are justified by the facts and the record.

[Here the gavel fell.]

Mr. O'NEAL of Kentucky. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, it is very difficult in dealing with financial matters to answer arguments fully and completely so that those who have not studied the record can understand.

To those who believe in spending, the remarks I am about to make will have no appeal; to those who are trying to do the expedient thing, what I shall say in the 4 or 5 minutes will mean nothing; but if there are any on this floor who are interested in economy and believe as I do that the existence of this Government depends upon getting back to sound business principles, I am sure they will be interested in knowing the situation of this bill at this time.

Your committee charged with the responsibility, as far as it can, of carrying out the will of your Executive, who has said we must balance the Budget and the job is up to Con-

gress, has labored for 6 weeks trying to do the best it can to hold down this ever-increasing spending of money in a wasteful way.

Let us now see what the condition is as to the bill under consideration at this time. With all that we could do, with every possible economy we could make, we come into this full committee with an authorization of \$5,000,000 more than the amount carried in the Post Office bill for 1938. With all we could do, in order to meet the expanding needs of the Post Office Department, we still had to give \$5,000,000 above the previous bill, but we did manage to cut this measure \$3,000,000 under the Budget. We managed to save approximately that amount, and on yesterday on the floor of this House by sentimental appeals, by arguments, every one of which had been discussed in the committee and gone into, as well as arguments on the other side being considered, you added to this bill approximately \$2,300,000, and now the total economy that we have effected amounts to about \$500,000 out of the entire saving.

I wish it were possible to answer the arguments of the gentleman from New York, who has so much zeal, in detail. There is no question in the world but what every dollar of increase made by this committee increases the deficit of the Federal Government. There are charges you can use for the purpose of making good arguments, but the fact remains that in 1937 the Post Office Department cost the Government \$40,000,000 and increased the deficit by that amount, and the coming year the deficit will be increased by \$14,000,000, not counting the two or three million dollars added by the committee on yesterday.

Mr. Chairman, I wish I had a chance to discuss the two major increases. We allowed the Budget estimate in one case and in the other case we gave \$3,000,000 more than was allowed last year.

There is no question about the fact that no man will be dropped because of these appropriations, no one will suffer an injustice, and I say that the people of America, having a wonderful Postal Service, the appeals made to you that our Postal Service must be made better and that they must have more money is a joke to me. Surely, the people of America can suffer slight discomfort from the Post Office Department in order to keep our Government solvent and keep us from running into dangers that today we do not understand.

I trust you will vote down these amendments when presented. [Applause.]

Mr. MICHENER. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I want to call attention to the fact that there are two aspects to the vote on increasing the amount of this bill in accordance with the amendments offered. First, you are voting to increase for the purpose designated in the amendment. The second aspect is you are voting for your Government to borrow the amount of money carried in the amendment and pay interest on it. Your Government is running in the red now, and every time Congress votes to increase the Budget one penny it votes to authorize your Government to issue its bonds and borrow money to that extent. Interest must be paid and principal must be repaid. This must be paid by the taxpayer. These amendments will increase the national debt by more than \$2,000,000. Do the postal employees understand that? You do.

There is another thing I want to call to your attention. We all heard the splendid speech of the majority leader here this morning. He appealed to the majority—that is, the overwhelming Democratic membership—to stand by the administration and to vote down these amendments. After his speech I heard someone say that it was too late, that he should have made the speech yesterday when it would have been in season, when the committee was voting on the amendments. This is hardly true. The horse has not gone yet. There is no use locking the barn after the horse is gone, but the vote that counts is coming in a few minutes when the House is going to have an opportunity to go on record as to whether or not it is supporting your majority leader, whether or not it is supporting the administration, whether or not it is supporting and assisting the taxpayer

of the country, or whether it is going to carry on this wild orgy of uncontrolled spending. On yesterday I called the attention of the House to reasons why these amendments should be defeated.

Mr. JOHNSON of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. MICHENER. Not now, please. We have groups, pressure groups, and is the Congress going to be able to resist them? We all enjoyed the speeches of the gentleman from New York [Mr. MEAD], but I wondered when I heard him whether or not the postal employees of the country are the browbeaten, the slave-driven, the neglected group to which he referred. If this is true, who is to blame? If I wanted to be partisan, I would suggest that the Postmaster General stay in Washington and protect these people and look after them rather than be running about the country making political speeches and functioning as the Democratic national chairman rather than Postmaster General.

Again, I might say that there is not a single amendment offered here to do a thing in the way of increasing wages where there are not many applicants whenever a vacancy occurs. Let us not kill the goose that lays the golden egg. Let us keep the jobs now and increase the pay just as soon as this can be done.

Why, amendments have been offered to increase rents for post-office buildings. Think of it! Every time a vacancy occurs there is a mad scramble by many property owners in the community to secure the lease. Nevertheless, there are Members here who would add \$1,000,000 to the national debt in order that some of their constituents might get a little rent for a post-office building. The Government is the best tenant in the world, and property owners are tickled to death to lease to it. Then my good friend from Illinois [Mr. THOMPSON] tells us that this third of the people—the people who own these buildings—in whom he is so interested, who want to rent the buildings, are the ones out of whose pockets comes this economy. That seems to me to be ridiculous.

Mr. JOHNSON of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. MICHENER. Yes.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WOODRUM. Mr. Chairman, I rise in opposition to the pro forma amendment. It may be that when one rises upon the floor of this House in the interest of trying to bring economic order out of chaos he is as one crying in the wilderness, but as a member of the Committee on Appropriations I feel that I have some responsibility, and as an individual I feel that I have a great deal of responsibility. No finer group of men in this body could consider a piece of legislation than the subcommittee that has handled this bill and brought it to the floor of the House, and yet the Committee of the Whole—and I regret to say some of my colleagues on the Committee on Appropriations, for we might as well talk frankly in the bosom of the family—have unhesitatingly, in response to the persuasive eloquence of our irresistible friend from New York [Mr. MEAD] marched right down and increased the bill item after item, doing it under the guise of helping the workingman. I have heard within the last 24 hours two distinguished gentlemen of this House say, "Yes; I am going to increase every appropriation I can and pile up the public debt, and then the time will come when we will have to have the inflation which we ought to have." How much of this increase is prompted by that sort of reasoning? Let me tell you something: I pay tribute to the great army of postal workers in America. We have the finest postal system in the world. These postal workers are a fine band of patriotic men and women, but in that army of nine or ten million men who are pounding the streets, asking for employment, there are also some good men, and during this depression the postal authorities and the postal employees, I am very happy to say, were protected. Never did they have to lie wondering on a sleepless pillow whether that check would come to them on the first of the month, because it came right along. What about the other people?



No one thing that the Congress can do—no one thing that you, who are so much interested in the laboring people can do—that will help give them jobs and make them secure in their wages and help them to meet their obligations will do so much as to balance the Federal Budget and return confidence to business. The wheels of industry would pick up again and the country will move along in economic order. I appeal to this House today, with all the earnestness that I have, to stand by this committee—to stand by the Committee on Appropriations—in its efforts to try to hold down public expenditures. There has been no starving of this great Department. Almost every one of these amendments is an effort to raise the amount above the Budget estimate; and I say to you that unless the Congress is willing to consider this matter seriously, unless you, my colleagues on the majority side, are willing to sacrifice your own personal viewpoint to some extent to try to help the President fulfill the obligation he has made, and the obligation that our party has made—that is, try to balance the Federal Budget—then God help us when a righteously mad electorate come to pass judgment upon us. I appeal to you. Let us stand by this committee when these votes come today, not because we do not like the postal employees. We appreciate them. This committee has been liberal with them. No Member of the House is more interested in the Postal Service than the distinguished gentleman from Indiana [Mr. LUDLOW], chairman of the subcommittee, and his friends on this committee. Do not let us be swept off our feet. I appeal to you to harden your heart against the soft, persuasive, siren eloquence of our beloved friend from New York [Mr. MEAD]. If you want to vote on how much we love JIM MEAD, we will vote with you and make it unanimous. If you want to vote on the question of how much he loves the postal employees, we will also make that unanimous, but let us temper our sentiment with a little bit of logic and good judgment. [Applause.]

Mr. McCORMACK. Mr. Chairman, I think the subcommittee in charge of this bill takes an erroneous position when they feel disturbed at the action of the Committee of the Whole. The increases brought about as a result of what the Committee of the Whole did yesterday amount to a little over \$2,000,000, and the utterances of the subcommittee make us think that that is a reflection upon themselves, which is absolutely incorrect. The chairman and the members of the subcommittee have handled this bill with skill in keeping the increases to the amount that has been allotted.

The eloquence of the gentleman from New York [Mr. MEAD] was backed up by facts; he supported his amendments by facts, and the Committee of the Whole adopted his amendments. Contrast that with the eloquence of the gentleman from Virginia who has just spoken, and no one will deny that the gentleman from Virginia is possessed of profound eloquence and that he expresses it in an undeniable manner every time he takes the floor; but he gives us no facts, he does not contradict the facts presented by the gentleman from New York yesterday.

Mr. Chairman, this is a question to be determined upon the facts, upon the merits. If you do not believe that the action of the Committee of the Whole on yesterday should be approved by the House, then when we go back into the House, vote against such amendments as you are opposed to. Why, to listen to the gentleman from Virginia and to my good friend from Kentucky, you would think that the Budget was going to be balanced if we voted down the amendments adopted yesterday; you would think that these amendments would create the only deficit during the next fiscal year. We all know that a deficiency appropriation has been made this year. Why not meet the proposition as we are meeting it now rather than meet it in a deficiency bill? Why not increase the appropriation at this time?

Mr. MEAD. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. MEAD. I may say to the gentleman from Massachusetts that even now, at this moment, I am not leaving my President. The President's proposal is contained in the

Budget, and this bill is still \$1,000,000 below the President's Budget figure; so, both the gentleman from Massachusetts and I are consistently supporting our President, even though our example was not emulated by the distinguished gentleman from Indiana last week. [Laughter.]

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield? Mr. McCORMACK. I yield.

Mr. HOFFMAN. The gentleman from Massachusetts criticizes some of us for not following the President. How can we follow him when he is not of the same mind for 2 days in succession?

Mr. McCORMACK. The gentleman from Michigan, of course, interjects something entirely unrelated to the utterances I have been making.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I move that all debate on this paragraph and all amendments thereto close in 10 minutes.

The motion was agreed to.

Mr. JOHNSON of Minnesota. Mr. Chairman, after hearing the majority leader talk about economy and balancing the Budget, after hearing the eloquent gentleman from Virginia speak on the same subject, and after hearing the gentleman from Indiana, one might be constrained by the power of their oratory to pause and maybe adhere to their belief; but, Mr. Chairman, the next bill to come up in this House will be the Navy Department appropriation bill, and this same Appropriations Committee that wants to be saved today from the profligate spending of \$2,500,000 is going to increase the appropriation for battleships \$27,000,000 in the next few days.

On this question of economy, let me call attention to the fact that last year you could buy a high-class floating iron mine for \$60,000,000, but under the new bill this time you are going to be asked to pay \$70,850,000 apiece for two more floating iron mines. That is real economy. In other words, we have a democratic mail system, but when you talk about making an increase of \$1,000,000 to provide better mail service it is said you are destroying the fundamentals of the American system. When, however, you leave the role of peacemaker for that of pacemaker in the armaments race they think nothing of voting \$553,000,000. Not only that, but you probably will have an administration message in the near future asking for another \$200,000,000 for naval appropriations.

I thought perhaps these observations might be of interest in connection with the talk of economy today. [Applause.]

Mr. MAY. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I have not attempted to debate this appropriation bill, but I am aware of the fact that economy must be effected somewhere, and there has to be a commencing place. Of my colleagues on the other side of the aisle I have nothing to say except that they are going along on the question and trying to economize in a splendid way. I commend them that they are supporting the President in his efforts to balance the Federal Budget.

We have an unbalanced Budget in this country, and if continued it is going to be a tragedy on the doorstep of the Democratic Party and the Democratic majority of the House of Representatives. In the annual message of the President to the first session of the Seventy-fifth Congress he called attention to the serious dangers of an unbalanced Budget and of unsound financing. He said that unsound financing was leading to wreck, ruin, and disaster in many foreign countries. How true that prediction was, can be seen today with the French Republic in financial chaos and that country unable to reorganize its Government because of the decline in the value of the franc. An unbalanced Budget, accompanied by an extravagant and reckless expenditure of public funds, must, if continued, lead to ultimate bankruptcy and economic collapse. In the very depths of the depression in 1933, when multiplied thousands of our banks had closed their doors and industry was completely paralyzed, fear was so widespread that the President in his first inaugural address was

prompted to say "We have nothing to fear but fear itself" and to call the people to the rescue of the Government from a desperate situation, we had only 12,000,000 unemployed people in the country and according to a recent census of the unemployed we now have somewhere from eleven to sixteen million. All this in the face of an expenditure of approximately \$20,000,000,000 trying to prime the industrial pump. In all this we have practically driven private employment out of existence. How much longer can we endure it?

That is the road the American Government under the Democratic Party is taking. There is no use in any of us deceiving ourselves about this situation any longer. When we go into the next campaign the business interests of this country will ask, What did you do to help balance the Federal Budget? They will rise in your face and say what the gentleman from New York stated about balancing the Federal Budget and point to the fact this extravagant spending policy is chargeable to the majority party.

Mr. Chairman, in my district there are more post offices for the number of counties perhaps than in any other district in America. There are eight small counties with 361 post offices. At least 300 of them might be benefited by some of these amendments. It is up to me to take a stand either for my country or against it. I would rather go back home and tell my constituents that I want them to have a Government sound, sane, safe, and strong enough to protect their life, liberty, and property rather than a defaulting bankrupt Government, the very thing we are going to. [Applause.]

I am willing to look them in the face and say, "My country first. My country, may she always be right, but my country, right or wrong."

Today the Democratic side of the House of Representatives has the responsibility and the President told us so in the press no longer than 30 days ago. He said, "It is on your hands if you do not balance the Budget." I want it understood that I am sending that back to the President; it is on his hands, so far as I am concerned, because I am going to vote to economize some of the time and help the President save this country from economic collapse and chaos.

I wonder what we would say, with the revenue of this country steadily declining, with war clouds hovering over the earth from one end to the other and with a national debt such as we have, if we were thrust into a war? What kind of a problem would we have financing this great country of ours? It is time for Democrats to exercise judgment and begin to think where we are. [Applause.]

The President has repeatedly demanded that the Congress balance the Budget, and I, for one, propose to back him up in his efforts to do it. [Applause.]

The pro forma amendments were withdrawn.

The Clerk read as follows:

SEC. 4. No part of the money appropriated under this act shall be paid to any person for the filling of any position for which he or she has been nominated after the Senate upon vote has failed to confirm the nomination of such person.

Mr. STARNES. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. STARNES: Page 73, after line 25, insert a new section, as follows:

"Sec. 5. No part of any appropriation contained in this act or authorized hereby to be expended, shall be used to pay the compensation of any officer or employee of the United States or of any agency the majority of the stock of which is owned by the Government of the United States, whose post of duty is in continental United States unless such officer or employee is a citizen of the United States."

Mr. STARNES. Mr. Chairman, this amendment simply provides that in connection with the expenditure of the \$1,400,000,000 provided by this bill no one shall be employed or no compensation paid to anyone in the continental United States who is not a citizen thereof.

This tremendous sum of money is being raised by taxing the men and women of the United States. Every penny of taxes in this country is paid by the sweat of the laboring

men and women of our country, and at a time when at least eight to ten million people are unemployed in this country, and when we tax the citizenship of the country to provide personnel and employment I feel it is nothing but common sense and sanity that the men and women to be employed as a result of the functions of this Government should be citizens of our Republic. [Applause.]

Let me address myself for just one moment to the remarks made by the genial and able gentleman from Massachusetts a moment ago, a very able Member of this House and one I love and admire very much. I want to point to some facts which are more eloquent than the soft, musical voice of JIM MEAD, of New York, or of the seductive eloquence of the gentleman from Massachusetts. That is, for 7 years this Federal Government of ours has operated under an unbalanced Budget. We are now entering upon the eighth year of the operation of the Federal Government under an unbalanced Budget. The public debt has increased from approximately \$20,000,000,000 to \$38,000,000,000. No business under the sun can continue to operate year in and year out under an unbalanced Budget without facing the twin sisters of disaster, repudiation and inflation. I say to the gentleman from Massachusetts that the time has come when we must reduce public expenditures. In a bill carrying \$1,400,000,000 we are not being niggardly with either the Treasury Department or the Post Office Department when we cut only \$7,000,000 under the Budget. I hope and pray that the membership of the House will bring about a balanced Budget and permit this Government of ours to operate on a safe, sane, and sound basis. [Applause.]

Mr. LUDLOW. Mr. Chairman, the amendment offered by the gentleman from Alabama [Mr. STARNES] is identical with an amendment incorporated in the independent offices appropriation bill. The members of our subcommittee feel this is a matter of policy which the House should itself decide as to whether the amendment should be incorporated in this bill. We ask for a vote of the Committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. STARNES].

The amendment was agreed to.

Mr. LUDLOW. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GREENWOOD, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the Treasury and Post Office Departments appropriation bill, 1939 (H. R. 8947), reports the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. LUDLOW. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment?

Mr. LUDLOW. Mr. Speaker, I demand a separate vote on six amendments:

First. The Luecke of Michigan amendment, on page 56 of the bill, increasing the appropriation for post-office inspectors \$260,000.

Second. The Mead amendment, on page 58, increasing the appropriation for clerks at offices of the first and second class in the sum of \$1,000,000.

Third. The Haines amendment, on page 59, increasing the appropriation for clerks in third-class post offices \$200,000.

Fourth. The Mead amendment, on page 59, increasing the appropriation for city carriers \$1,000,000.

Fifth. The Mead amendment, on page 61, increasing the appropriation for travel allowance of railway clerks \$100,000.

Sixth. The Burch amendment, on page 66, relating to furniture for third-class post offices.



The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The SPEAKER. The Clerk will report the first amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. LUECKE of Michigan: On page 56, lines 13 and 14, after the words "divisions and", strike out "595 inspectors, \$2,271,500" and insert in lieu thereof the following: "605 inspectors, \$2,297,500."

The SPEAKER. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. MEAD) there were—ayes 36, noes 116.

So the amendment was rejected.

The SPEAKER. The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. MEAD: On page 58, line 18, after the word "substitutes", strike out "\$198,000,000" and insert in lieu thereof "\$199,000,000."

The SPEAKER. The question is on the amendment.

The question was taken; and the Chair being in doubt, the House divided, and there were—ayes 99, noes 73.

Mr. LUDLOW. Mr. Speaker, I object to the vote on the ground a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] One hundred and ninety-one Members are present, not a quorum.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 266, nays 97, not voting 67, as follows:

[Roll No. 8]  
YEAS—266

Aleshire	Dingell	Honeyman	Maverick
Allen, Del.	Dixon	Hook	Mead
Allen, Ill.	Dondero	Houston	Meeks
Allen, La.	Dorsey	Hull	Merritt
Amie	Douglas	Hunter	Mills
Anderson, Mo.	Dowell	Imhoff	Mitchell, Ill.
Andresen, Minn.	Drew, Pa.	Izac	Moser, Pa.
Arends	Duncan	Jacobsen	Mosier, Ohio
Ashbrook	Dunn	Jarman	Mott
Barry	Eckert	Jenckes, Ind.	Mouton
Beam	Eicher	Jenkins, Ohio	Murdock, Utah
Beiter	Englebright	Jenks, N. H.	Nelson
Bernard	Evans	Johnson, Minn.	Nichols
Bigelow	Farley	Johnson, Okla.	O'Brien, Ill.
Blinderup	Ferguson	Jones	O'Brien, Mich.
Bland	Fernandez	Kee	O'Connell, R. I.
Bolleau	Fish	Kelly, Ill.	O'Day
Boren	Fitzgerald	Kelly, N. Y.	O'Leary
Boyer	Fitzpatrick	Kennedy, Md.	O'Malley
Boykin	Flaherty	Kennedy, N. Y.	O'Toole
Bradley	Flannery	Keogh	Oliver
Brewster	Fieger	Kirwan	Pace
Brooks	Forand	Kitchens	Palmisano
Brown	Ford, Calif.	Kniffin	Parsons
Buck	Frey, Pa.	Kocalkowski	Patrick
Buckler, Minn.	Fries, Ill.	Kopplemann	Patterson
Bulwinkle	Gambrell, Md.	Kramer	Patton
Burch	Garrett	Lamneck	Peterson, Fla.
Burdick	Gasque	Lanham	Pfeifer
Carlson	Gearhart	Larrabee	Phillips
Case, S. Dak.	Gehrmann	Lea	Quinn
Casey, Mass.	Gilchrist	Leavy	Rabaut
Celler	Gildea	Lemke	Ramsay
Champion	Gingery	Lesinski	Ramspeck
Chandler	Goldsborough	Long	Rankin
Church	Gray, Ind.	Lucas	Reece, Tenn.
Citron	Gray, Pa.	Luckey, Nebr.	Reed, Ill.
Clark, Idaho	Green	Luecke, Mich.	Reilly
Clason	Greenwood	McAndrews	Richards
Claypool	Griffith	McClellan	Rigney
Coffee, Wash.	Griswold	McCormack	Robinson, Utah
Colden	Gwynne	McGehee	Robson, Ky.
Collins	Haines	McGranery	Rogers, Mass.
Connery	Halleck	McGrath	Rogers, Okla.
Cox	Hamilton	McKeough	Romjue
Cravens	Hancock, N. C.	McLaughlin	Ryan
Crawford	Harlan	McSweeney	Sacks
Crosby	Harrington	Maas	Sadowski
Crosser	Harter	Magnuson	Sanders
Culkin	Havener	Mahon, S. C.	Satterfield
Cullen	Healey	Maloney	Sauthoff
Curley	Hendricks	Mapes	Schaefer, Ill.
Delaney	Hennings	Martin, Colo.	Schneider, Wis.
DeMuth	Hildebrandt	Martin, Mass.	Schuetz
DeRouen	Hill	Mason	Schulte
Dickstein	Hobbs	Massingale	Scott

Scrugham	Smith, W. Va.	Teigan	Wearin
Secrest	Snyder, Pa.	Thomas, Tex.	Weaver
Seger	Sparkman	Thompson, Ill.	Welch
Shafer, Mich.	Spence	Thurston	West
Shanley	Stack	Tobey	White, Ohio
Shannon	Steagall	Tolan	Wilcox
Short	Stefan	Transue	Withrow
Sirovich	Sullivan	Treadway	Wolcott
Smith, Conn.	Sweeney	Voorhis	Wood
Smith, Maine	Swope	Wadsworth	
Smith, Wash.	Taylor, Tenn.	Wallgren	

NAYS—97

Allen, Pa.	Doughton	Luce	Simpson
Andrews	Eberharter	Ludlow	Smith, Va.
Bacon	Edmiston	McFarlane	South
Barton	Elliott	McMillan	Starnes
Bates	Engel	McReynolds	Summers, Tex.
Bell	Faddis	Mahon, Tex.	Taber
Boehne	Fletcher	Mansfield	Tarver
Boland, Pa.	Ford, Miss.	May	Taylor, S. C.
Caldwell	Fuller	Michener	Terry
Cannon, Mo.	Gamble, N. Y.	Mitchell, Tenn.	Thom
Carter	Gregory	Murdock, Ariz.	Thomason, Tex.
Chapman	Guyer	O'Connor, N. Y.	Turner
Cluett	Hancock, N. Y.	O'Neal, Ky.	Umstead
Cochran	Hoffman	Patman	Vincent, B. M.
Coffee, Nebr.	Holmes	Pearson	Vinson, Fred M.
Cole, N. Y.	Hope	Peterson, Ga.	Vinson, Ga.
Colmer	Johnson, Luther A.	Pierce	Warren
Cooley	Johnson, Lyndon	Poage	Wigglesworth
Cooper	Johnson, W. Va.	Polk	Williams
Creal	Kleberg	Randolph	Woodruff
Crowe	Knutson	Rayburn	Woodrum
Crowther	Lambertson	Rees, Kans.	Zimmerman
Cummings	Lambeth	Rich	
Dirksen	Lewis, Colo.	Rockefeller	
Ditter	Lord	Rutherford	

NOT VOTING—67

Arnold	Disney	Kinzer	Sheppard
Atkinson	Dockweller	Kvale	Smith, Okla.
Barden	Doxey	Lanzetta	Snell
Biermann	Drewry, Va.	Lewis, Md.	Somers, N. Y.
Bloom	Driver	McGroarty	Sutphin
Boylan, N. Y.	Eaton	McLean	Taylor, Colo.
Buckley, N. Y.	Flannagan	Norton	Thomas, N. J.
Byrne	Fulmer	O'Connell, Mont.	Tinkham
Cannon, Wis.	Gavagan	O'Connor, Mont.	Towey
Cartwright	Gifford	O'Neill, N. J.	Walter
Clark, N. C.	Greever	Owen	Wene
Cole, Md.	Hart	Pettengill	Whelchel
Costello	Hartley	Plumley	White, Idaho
Daly	Jarrett	Powers	Whittington
Deen	Keller	Reed, N. Y.	Wolfenden
Dempsey	Kenney	Robertson	Wolverton
Dies	Kerr	Sabath	

So the amendment was agreed to.

The Clerk announced the following pairs:

On the vote:

Mr. Wolverton (for) with Mr. Jarrett (against).  
Mr. Powers (for) with Mr. Wolfenden (against).

General pairs:

Mr. Drewry of Virginia with Mr. Snell.  
Mr. Taylor of Colorado with Mr. Kinzer.  
Mr. Robertson with Mr. Eaton.  
Mr. White of Ohio with Mr. Plumley.  
Mr. Bloom with Mr. Gifford.  
Mr. Daly with Mr. McLean.  
Mr. Gavagan with Mr. Reed of New York.  
Mr. Dempsey with Mr. Thomas of New Jersey.  
Mr. Kerr with Mr. Tinkham.  
Mr. Flannagan with Mr. Hartley.  
Mr. Dies with Mr. Kvale.  
Mrs. Norton with Mr. Owen.  
Mr. Towey with Mr. Byrne.  
Mr. Clark of North Carolina with Mr. Biermann.  
Mr. Disney with Mr. Buckley of New York.  
Mr. Sabath with Mr. Hart.  
Mr. Kenny with Mr. Doxey.  
Mr. O'Connell of Montana with Mr. Walter.  
Mr. Whittington with Mr. Greever.  
Mr. Pettengill with Mr. Arnold.  
Mr. Somers of New York with Mr. O'Connor of Montana.  
Mr. Sutphin with Mr. Cole of Maryland.  
Mr. Keller with Mr. Lanzetta.  
Mr. O'Neill of New Jersey with Mr. Whelchel.  
Mr. Atkinson with Mr. Sheppard.  
Mr. Driver with Mr. Smith of Oklahoma.  
Mr. Fulmer with Mr. Wene.  
Mr. Lewis of Maryland with Mr. Dockweller.  
Mr. Deen with Mr. Boylan of New York.  
Mr. Cartwright with Mr. Barden.

Mr. ALESHIRE changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. HAINES: On page 59, line 3, strike out "\$7,250,000" and insert in lieu thereof "\$7,450,000."

The SPEAKER. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. HAINES and Mr. MEAD) there were—ayes 119, noes 66.

So the amendment was agreed to.

The SPEAKER. The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. MEAD: On page 59, line 18, after the word "Service", strike out "\$138,000,000" and insert "\$139,000,000."

Mr. MEAD. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MEAD. Would it be in order to explain that this is the carrier amendment, which is a companion amendment to the clerical amendment?

The SPEAKER. The Chair may state in reply to the gentleman's inquiry it would not be in order.

The question is on the amendment.

The question was taken; and on a division (demanded by Mr. LUDLOW) there were—ayes 151, noes 53.

So the amendment was agreed to.

The SPEAKER. The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. MEAD: On page 61, line 5, after the words "postal clerks", strike out "\$3,100,000" and insert in lieu thereof "\$3,200,000."

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. BURCH: Page 66, line 12, after the word "added", insert a period and strike out the remainder down to and including line 16.

Mr. LUDLOW. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LUDLOW. My inquiry, Mr. Speaker, is whether this is the amendment that puts the Government in business?

Mr. MEAD. No; this is not, Mr. Speaker. This takes a racketeering outfit out of business.

The SPEAKER. The Chair will state that is not a parliamentary inquiry.

The question is on the amendment.

The question was taken; and the Chair being in doubt, the House divided, and there were—ayes 149, noes 60.

Mr. LUDLOW. Mr. Speaker, I demand the yeas and nays. The yeas and nays were refused.

So the amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. TABER. Mr. Speaker, I have a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. TABER. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. TABER moves to recommit the bill to the Committee on Appropriations with instructions to report the same back to the House forthwith, with the following amendment: On page 52, after line 12, insert a new paragraph, as follows:

"No part of the funds appropriated in this act shall be used for the purposes of paying any employee engaged in carrying out any of the provisions of the Silver Purchase Act of 1934, Public, No. 438, Seventy-third Congress, approved June 19, 1934, and none of the funds appropriated in this act shall be used for the paying of any other expenses incidental to carrying out the provisions of said act."

Mr. LUDLOW. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from New York to recommit the bill.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 31, noes 187.

Mr. TABER. Mr. Speaker, I ask for the yeas and nays. The yeas and nays were refused.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. PATMAN) there were—ayes 281, noes 4.

So the bill was passed.

On motion of Mr. LUDLOW, a motion to reconsider the vote by which the bill was passed was laid on the table.

#### EXTENSION OF REMARKS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to insert in the CONGRESSIONAL RECORD an editorial appearing in the Houston Chronicle, of Houston, Tex., commending the services of my colleague the Honorable MORGAN SANDERS, of Texas.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BURDICK and Mr. MICHENER asked and were given permission to extend their remarks in the RECORD.

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a radio address delivered by me.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

#### AMENDMENT OF THE CONSTITUTION

Mr. WADSWORTH. Mr. Speaker, I ask unanimous consent to be allowed to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WADSWORTH. Mr. Speaker, it may be recalled by some of the Members that upon two occasions in the past I have addressed the House on the method or the machinery for ratifying amendments to the Federal Constitution. Also, I have had the privilege of appearing before the subcommittee of the Committee on the Judiciary, headed by the gentleman from New York [Mr. Celler], to discuss this question.

I ask unanimous consent, Mr. Speaker, to extend my remarks and to include therein an exceedingly interesting opinion delivered by the Court of Appeals of the State of Kentucky on the validity of the ratification of a certain amendment of the Constitution by the legislature of that State after previous legislatures had rejected it.

Mr. MAVERICK. Mr. Speaker, reserving the right to object, and I will not object, the gentleman objected to a speech by Mr. Ickes that I wanted to put in the RECORD. I am very glad for the gentleman to put this in the RECORD, but I hope the gentleman will be as easy on others as we are on him.

Mr. WADSWORTH. Mr. Speaker, I cannot reserve the right to object myself, or I would say something.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The matter referred to follows:

Court of Appeals of Kentucky, October 1, 1937. *James E. Wise and Ray B. Moss, appellants, v. Albert Benjamin Chandler, etc., et al., appellees.* Appeal from the Franklin Circuit Court

Opinion of the court by Judge Stites—reversing.

This is an appeal from a judgment of the Franklin Circuit Court dismissing appellants' petition as amended on the ground of its alleged failure to state facts sufficient to constitute a cause of action. The suit was filed for the purpose of enjoining the Governor and other defendants from certifying to the Secretary of State of the United States, the Presiding Officer of the United States Senate, and the Speaker of the House of Representatives copies of a resolution adopted at the special session of the general assembly on January 13, 1937 (Acts, Fourth Special Session 1937, ch. 30) purporting to ratify the so-called child-labor amendment to the Constitution of the United States on behalf of the



State of Kentucky. In addition to the injunctive and general relief prayed, appellants asked for a declaration of rights concerning the validity of the resolution of the general assembly and of the status of the amendment.

The petition was filed in the Franklin Circuit Court about 8 o'clock a. m. on January 15, 1937; bond was executed, and a restraining order was issued immediately against the defendants enjoining each of them from sending copies of the resolution to the Secretary of State, Presiding Officer of the Senate, or Speaker of the House. On the same day, but before he was actually served with a copy of the restraining order or summons in the suit, the Governor forwarded a certified copy of the resolution to the Secretary of State. It is not claimed that he knew of the pendency of this proceeding at the time of such action.

On the following day (January 16, 1937) appellants filed an amended petition in which they set out the action taken by the Governor since the filing of the suit, and they asked for a mandatory injunction to require him to notify the Secretary of State of the pendency of this proceeding and that the notification then in the hands of the post office for delivery to the Secretary of State was void and should be disregarded. No action was taken on this amended petition. Appellees, without questioning the right or capacity of appellants to bring the suit, filed a general demurrer to the petition as amended. The demurrer was sustained, and appellants declined to plead further. Their petition was dismissed, and this appeal followed.

On July 2, 1924, the Sixty-eighth Congress of the United States proposed the so-called child-labor amendment to the several States. We are not here concerned with the merits or demerits of the amendment, but simply with the mechanical process of amending the Federal Constitution under article V of that instrument providing, so far as pertinent to this case:

"The Congress, whenever two-thirds of both houses shall deem it necessary, shall propose amendments to this Constitution, which \* \* \* shall be valid to all intents and purposes as part of this Constitution, when ratified by the legislatures of three-fourths of the several States or by conventions in three-fourths thereof, as the one or the other mode of ratification may be proposed by the Congress."

During the year following the submission of the amendment, in 1924, it was ratified by one State and rejected by three. In 1925 it was ratified by three additional States and rejected by an additional 32. In 1926 the General Assembly of Kentucky adopted a resolution rejecting the amendment, and its action was certified to the Secretary of State of the United States some 6 or 7 months thereafter. One other State likewise rejected the amendment that year. In 1927 Montana ratified the amendment, although it had previously, in 1925, rejected it, and Maryland had rejected it for the first time. No action at all was taken by any State, either one way or the other, during 1928, 1929, and 1930. In 1931 Colorado, after a previous rejection, ratified it. Again no action was taken in 1932, but in 1933 there was a general revival of interest in the question, and action either ratifying or rejecting it was taken in 23 States. Action was likewise taken in various States in each succeeding year thereafter. If a State which has once acted on an amendment to the Federal Constitution may act again and change its position thereon, then there were 28 ratifications and 20 rejections standing at the date of the commencement of this action.

On December 23, 1936, the Governor of Kentucky issued a proclamation convening the general assembly in extraordinary session for the purpose of considering certain enumerated subjects (Constitution of Kentucky, sec. 80) not including the proposed amendment. On January 8, 1937, the Governor amended his call to include consideration of the amendment, and the general assembly thereupon adopted the resolution purporting to ratify the amendment on behalf of the Commonwealth of Kentucky.

It is urged by appellants:

First. That the power reserved to the States by article V of the Federal Constitution, to pass upon a proposal by Congress for an amendment of that instrument, when once affirmatively exercised, is exhausted and that the Kentucky Legislature, having exhausted that power on March 24, 1926, by the adoption of a concurrent resolution of both houses, affirmatively rejecting the amendment in question, and having caused its action to be certified by the Governor of Kentucky to the Secretary of State of the United States, to the Presiding Officer of the United States Senate, and to the Speaker of the House of Representatives of the United States, had exhausted the power invoked by the congressional proposal.

Second. That, including the rejection of the Kentucky Legislature on March 24, 1926, the amendment had then been affirmatively rejected by 26 States, in each instance by resolution of both houses of the legislature, that in 21 of those States the resolution has been duly certified to the Secretary of State of the United States and that the affirmative rejection of the amendment by more than one-fourth of the States of the Union constituted a final and irrevocable decision of the referendum to the State legislatures of the congressional proposal.

Third. That, in order to validate a proposed amendment as part of the Federal Constitution, ratification by three-fourths of the States must take place within such a reasonable time after its proposal as would make their action an expression of the approval of the people, sufficiently contemporaneous in that number of States to reflect the popular will in all sections of the country at relatively the same period (*Dillon v. Gloss*, 256 U. S. 368, 65 L. Ed. 994); that 12 years and 7 months, which was the time that elapsed between the proposal of the amendment by Congress on

June 2, 1924, and the attempted ratification thereof by the Kentucky Legislature on January 13, 1937, was not such a reasonable time; that at that time the congressional proposal, if not conclusively defeated by the adverse action theretofore taken by the States, must, at least, be regarded as abandoned and that consequently said attempted ratification was of no effect.

Fourth. That the session of the Kentucky Legislature at which the resolution of purported ratification was adopted was a special session and action upon the proposed amendment was not one of the subjects mentioned in the Governor's proclamation convening that session.

It seems logically to follow from the provision in article V of the Federal Constitution that the framers of that instrument contemplated that the effect of ratification or rejection by the States would be the same whether taken by the legislatures of the several States or by conventions held therein. "If an amendment to the Federal Constitution should be proposed by Congress, and submitted to State conventions instead of the legislatures, the powers and disabilities of the two classes of bodies in respect to the amendment would, it is conceived, be precisely the same." (Jameson, *A Treatise on Constitutional Conventions*, 4th ed., sec. 586). In *Hawke v. Smith* (253 U. S. 221, 40 S. Ct. 495, 64 L. Ed. 871), a case involving the adoption of the eighteenth amendment, the Court said:

"The proposed change can only become effective by the ratification of the legislatures of three-fourths of the States, or by conventions in a like number of States. The method of ratification is left to the choice of Congress. Both methods of ratification, by legislatures or conventions, call for action by deliberative assemblies representative of the people, which it was assumed would voice the will of the people."

It was conceded in argument of this case at the bar that the proposal by Congress of an amendment to the Federal Constitution was analogous to the making of an offer for acceptance or rejection under the law of contracts. It is unnecessary to speculate, with Webster, Clay, or Calhoun, as to whether or not the Constitution is itself a fundamental charter of government or a compact between sovereign States. It is sufficient for our purposes to concede that there is an analogy to the principles of contract law in the processes of amending the Federal Constitution.

So far as we have been able to discover, no writer on the subject has undertaken to defend the position that the delegates to a State convention, elected and assembled for the single purpose of acting upon a proposed amendment to the Federal Constitution, could reject the proposed amendment and thereafter, having adjourned sine die, reassemble and adopt a resolution of ratification. Even if it be conceded that a State might reject an amendment and later, while the amendment is still before the people, change its position thereon, certainly this power could not logically be said to exist after an amendment has been rejected by more than one-fourth of the States and these rejections duly certified to the Secretary of State of the United States.

In *Dillon v. Gloss* (256 U. S. 368) the Court, in speaking of article V, said:

"We do not find anything in the article which suggests that an amendment once proposed is to be open to ratification for all time, or that ratification in some of the States may be separated from that in others by many years and yet be effective. We do find that which strongly suggests the contrary. First, proposal and ratification are not treated as unrelated acts but as succeeding steps in a single endeavor, the natural inference being that they are not to be widely separated in time. Secondly, it is only when there is deemed to be a necessity therefor that amendments are to be proposed, the reasonable implication being that when proposed they are to be considered and disposed of presently. Thirdly, as ratification is but the expression of the approbation of the people and is to be effective when had in three-fourths of the States, there is a fair implication that it must be sufficiently contemporaneous in that number of States to reflect the will of the people in all sections at relatively the same period, which of course ratification scattered through a long series of years would not do. These considerations and the general purpose and spirit of the article lead to the conclusion expressed by Judge Jameson 'that an alteration of the Constitution proposed today has relation to the sentiment and the felt needs of today, and that, if not ratified early while that sentiment may fairly be supposed to exist, it ought to be regarded as waived, and not again to be voted upon, unless a second time proposed by Congress.' That this is the better conclusion becomes even more manifest when that is comprehended in the other view is considered; for, according to it, four amendments proposed long ago—two in 1789, one in 1810, and one in 1861—are still pending and in a situation where their ratification in some of the States many years since by representatives of generations now largely forgotten may be effectively supplemented in enough more States to make three-fourths by representatives of the present or some future generation. To that view few would be able to subscribe, and in our opinion it is quite untenable. We conclude that the fair inference or implication from article V is that the ratification must be within some reasonable time after the proposal."

The functional identity of State legislatures and State conventions is further indicated in the opinion in *Hawke v. Smith*, *supra*, where Mr. Justice Day, speaking for the Court, said:

"Ratification by a State of a constitutional amendment is not an act of legislation within the proper sense of the word. It is but the expression of the assent of the State to a proposed amendment."

We can find no logical point of difference in the ultimate result whether Congress chooses the one or the other mode of sounding the sentiment of the people in regard to a proposed amendment.

It is the prevailing, though not unanimous, view of writers on the question that a resolution of ratification of an amendment to the Federal Constitution, whether adopted by the legislature or a convention, is irrevocable. This conclusion seems inescapable as to the action of a convention called for the purpose of acting upon an amendment. When it has acted and adjourned, its power is exhausted. Since the "powers and disabilities" of the two classes of representative assemblies mentioned in article 5 are "precisely the same," when a legislature, sitting not as a lawmaking body, but as such an assembly, has acted upon a proposal for an amendment, it likewise has exhausted its power in this connection.

Logically this view would accord finality to whatever action was taken, whether by convention or through the legislature. A contrary doctrine, however, to the effect that, while an act of ratification is final and irrevocable, an act of rejection is no obstacle to a subsequent ratification, has made its appearance in academic discussions of the subject. The theory was first advanced during the controversy which attended the adoption of the Civil War amendments. Those amendments were proposed during the period of reconstruction, and the question of the standing of the seceded States came under consideration. As early as July 1861 the Congress had formally declared that, upon the part of the Government, the war was being waged "to preserve the Union, with all the dignity, equality, and rights of the several States unimpaired." But when that purpose seemed to have been accomplished through victorious armies, men in positions of power and influence took the singular position that the result of the war for the preservation of the Union was the destruction of the Union, and that consequently the seceded States were to be treated as conquered provinces. The governments which had been set up in the Southern States following the amnesty proclamation by President Lincoln were declared illegal, and the territory was divided into "military districts," each of which was put under the superintendence and control of a major general.

The First and Second Reconstruction Acts were passed in March 1867 over the vetoes of President Johnson. The first of these acts recited that "no legal State governments or adequate protection for life or property now exist in the rebel States of Virginia, North Carolina, South Carolina, Georgia, Mississippi, Alabama, Louisiana, Florida, Texas, and Arkansas," thus setting aside the governments which had been organized under Lincoln's amnesty proclamation. The thirteenth amendment, which was proposed February 1, 1865, had been ratified by many of those governments, to wit: Virginia, Louisiana, Tennessee, Arkansas, South Carolina, Alabama, North Carolina, and Georgia. The fourteenth amendment, proposed December 4, 1865, was rejected by four of the Southern States in 1866 and by Virginia in 1867, all acting through legislatures which were parts of the governments set up under the amnesty proclamation. Thereafter these governments were declared by Congress to have been illegal, and the adoption of the fourteenth amendment was accomplished by ratification by the "carpetbag" governments of Georgia, North Carolina, and South Carolina in July 1868.

The adoption of the thirteenth amendment was almost a matter of course following the victory of the Union armies. New Jersey at first rejected this amendment, but subsequently ratified it. However, its attempt at ratification occurred subsequent to the time when the amendment had been adopted by three-fourths of the States, and it was not mentioned as one of the ratifying States in the proclamation.

As to the fourteenth amendment, at the time of Mr. Seward's first proclamation of its adoption, dated July 20, 1868, there were 37 States in the Union, and the assent of 28 States was required to make the amendment a part of the Constitution. Twenty-five States ratified and made no attempt to reverse their position. Two States—Ohio and New Jersey—ratified and subsequently undertook to reject the amendment. North Carolina and South Carolina ratified through their military governments after having rejected the amendment through their "amnesty proclamation" governments. There were, therefore, 29 ratifications, or one more than the number required for adoption of the amendment. Secretary Seward, however, in his first proclamation, pointed out not only that New Jersey and Ohio had attempted to withdraw their ratifications but also that in six Southern States (Arkansas, Florida, North Carolina, Louisiana, South Carolina, and Alabama) the resolution of ratification had been adopted "by newly constituted and newly established bodies avowing themselves to be, and acting as the legislatures respectively of" those States. He said that it was "deemed a matter of doubt and uncertainty" whether the later resolutions of Ohio and New Jersey were "not irregular, invalid, and, therefore, ineffectual for withdrawing the consent of the said two States." His proclamation then continued thus:

"And whereas the 23 States first hereinbefore named, whose legislatures have ratified the said proposed amendment, and the 6 States next thereafter, named, as having ratified the said proposed amendment by newly constituted and established legislative bodies, together constitute three-fourths of the whole number of States in the United States;

"Now, therefore, be it known that I, William H. Seward, Secretary of State of the United States, by virtue and in pursuance of the second section of the act of Congress approved the 20th of April 1818, hereinbefore cited, do hereby certify that, if the resolutions of the Legislatures of Ohio and New Jersey ratifying the aforesaid amendment are to be deemed as remaining of full force and effect, notwithstanding the subsequent resolutions of the legislature of

those States which purport to withdraw the consent of said States from such ratification, then the aforesaid amendment has been ratified in the manner hereinbefore mentioned and so has become valid to all intents and purposes as a part of the Constitution of the United States."

This proclamation was made on July 20, 1868. Upon its being submitted to the Congress, that body, on the following day, July 21, 1868, adopted a resolution which, after reciting that the 29 States mentioned above had ratified the amendment, affirmed "that said fourteenth article is hereby declared to be a part of the Constitution of the United States and it shall be duly promulgated as such by the Secretary of State." It happened that on that very day Georgia had withdrawn her former rejection of the amendment and had ratified it and, although this State was not mentioned in the congressional resolution, it was included in Secretary Seward's second proclamation of July 28, 1868. Thus, at the time of the second proclamation, there were ratifications by 30 States, if the congressional method of counting the vote was correct. That method was to resolve all doubts in favor of ratification. States that had ratified and then rejected and States that had rejected and then ratified were all counted as ratifying.

The ratifications of New Jersey and Ohio were not essential to the adoption of the amendment, provided the votes of the two Carolinas and of Georgia could be counted on that side. But even with Georgia in the fold, it was still necessary to have either New Jersey or Ohio or one of the Carolinas. Congress, and Secretary Seward under its instructions, took them all and thus had two more than the required three-fourths.

It was in this tense atmosphere of reconstruction that Judge Jameson wrote his book, and it was from this nonjudicial precedent that he drew the surprising conclusion that consent to an amendment once given, no matter how hastily and inconsiderately, is irrevocable, but that its affirmative rejection, no matter how deliberate or how often repeated, may at any time be overridden. Upon this theory, a proposal for amending the Federal Constitution can never be defeated, since votes of rejection, though affirmative in form and buttressed with statements of the reasons for rejection, are treated as no votes at all, having no more effect than complete inaction on the part of the rejecting State.

The first person to suggest this doctrine was Governor Bramlette, of Kentucky, in his message to the general assembly of March 1, 1865. The assembly had rejected the thirteenth amendment to the Federal Constitution and sent it to the Governor for his approval or disapproval, conceiving that this was necessary, as in the case of legislation. The Governor, although favoring the amendment, declined to return the resolution of rejection with his dissent, on the ground that the action of the legislature was complete without his approval. In his message to that effect he took occasion to express his dissatisfaction with the action taken by the legislature and his opinion that its rejection did not preclude future ratification, saying: "Nothing but ratification forecloses the right of action. When ratified all power is expended. Until ratified the right to ratify remains."

But it was Judge Jameson who gave wide currency to this view in his work on *The Constitutional Convention*. In the first edition of his book he said that "although the subject (was) not free from difficulties," it was "probable" that Governor Bramlette's view would be accepted as the true construction of article V, adding (sec. 563) that—

"It could hardly have been unintentional that the contingency of rejection of the proposed amendment by one or more States was left unprovided for and it would seem a stretch of power to interpolate into that article a provision that, if rejected by one legislature or by three-fourths or even all State legislatures, such action should be taken to be definitive."

At the time of the publication of the first edition of Judge Jameson's book, the fourteenth amendment had not been proposed by Congress, but, in subsequent editions of his book, he leans heavily upon the action of Congress in accepting the votes of Ohio and New Jersey upon that amendment as described above.

So far as concerns the precedent set by Congress in connection with the adoption of the fourteenth amendment, its view is authority for the proposition that a State which has once ratified an amendment has exhausted its power and cannot thereafter reverse its stand. On the other hand, when it comes to the counting of the votes of Georgia and the two Carolinas, the avowed justification of this was not that those States could ratify despite their previous rejections, but that their previous rejections were void because the then governments of those States were illegal and their legislatures were without authority to act at all.

The only ground put forward by Judge Jameson in the first edition of his book for the theory that a vote of rejection may be disregarded at any time is that, since article V does not mention the rejection of a proposal for amendment, but mentions only ratification, it must be concluded that rejections were not in contemplation and consequently were not authorized. The language of article V is that a proposed amendment shall become part of the Constitution "when ratified by the legislatures of three-fourths of the several States, or by conventions in three-fourths thereof." Judge Jameson says that it would be "a stretch of power to interpolate into that article a provision that, if rejected by one legislature or by three-fourths or even all State legislatures, such action should be taken to be definitive." Certainly, had the framers of the Constitution entertained so unique a theory they would have adopted language more clearly expressing their intention. It is hardly consonant with common sense to say that an amendment,



once proposed for ratification, could never be rejected. The very purpose of proposing an amendment must be to poll the sentiment of the various States on the question. It would be an anomaly if that sentiment could be expressed effectively in only one way. We can see no reason for attaching less dignity to the expression of the sovereign will of the State in rejecting an amendment than is attached to its action in ratifying such an amendment. It would be a singular thing to say that rejections are allowed, but when they occur they are to be treated as nonexistent. Evidently the Supreme Court of the United States did not accord with this view when it said, in the *National Prohibition cases* (253 U. S. 350, 386):

"The referendum provisions of State constitutions and statutes cannot be applied, consistently with the Constitution of the United States, in the ratification or rejection of amendments to it."

In a speech delivered in the United States Senate on February 22, 1870, regarding the adoption of the fifteenth amendment, Senator Garrett Davis, of Kentucky, in replying to an argument advanced by the Senator from New York, said (CONGRESSIONAL RECORD, 41st Cong., 2d sess., p. 1480):

"The honorable Senator's argument upon the first branch of his proposition I thought powerful and conclusive; but when he contended that this power of a State to act upon a proposed amendment to the Federal Constitution was a power to ratify, and imported no power to reject, I think he was widely from the true principle and widely from logic. How long shall it be before a legislature that has rejected it? How long shall it be an open question? Twenty years? Fifty years? How long? Where is there any principle or provision of the Constitution that would so protract the question before a State convention or State legislature acting upon the subject of a proposed amendment? There is none. There is not a syllable of language from which such a power can be inferred. It does not exist. When the subject is submitted to a State for its action, whether it be by its legislature or its convention, it is for a single action; it is but for one action. The action of acceptance is no more extensive than the action of rejection; it has no more validity or effect. The effect of either mode of action is to exhaust the power of the State over that proposed amendment, and it can never come before that State again in any form whatever unless it comes before it in the form of a new proposition to amend the Constitution."

It is true that Mr. David K. Watson, in his work on the Constitution, volume II, page 1318, argues in support of the position that a rejection of an amendment by a State is not final, but may be followed by ratification. He suggests that there is an analogy between the processes of amending the Constitution and that of making laws, and would apply to the former the familiar rule that one legislature may repeal any act of a former legislature. It seems obvious that such an analogy will not hold. Logically, this view would require that no more finality be accorded a ratification than a rejection. As pointed out by Mr. Justice Day in *Hawke v. Smith*, *supra*, action taken by a State legislature under the Federal Constitution is not legislation within the proper sense of that word. This is made very clear in an analogous situation presented to the United States Senate concerning the contest over the election of Senator Faulkner, of West Virginia, in 1887. It may be said in passing that the opinion of the Senate committee in this matter is likewise a complete answer to appellants' fourth contention set out above.

Mr. Daniel B. Lucas was appointed on March 5, 1887, by the Governor of West Virginia to the seat in the Senate left vacant by the expiration of the term of Senator Johnson N. Camden on March 3, 1887. On December 5, 1887, the President pro tempore of the Senate presented the certificate of the appointment to hold the office "until the next meeting of the legislature of said State having authority to fill" the vacancy occasioned by the expiration of Senator Camden's term. On the same day the President pro tempore also laid before the Senate the credentials of Charles A. Faulkner, chosen by the Legislature of West Virginia a Senator for the term beginning March 4, 1887. Mr. Lucas protested against these latter credentials, and Senator Hoar moved that Mr. Faulkner's case be sent to a committee for investigation, and it was so ordered. The report of this committee may be found in *Hinds' Precedents of the House of Representatives*, volume I, section 632. The report sets out the provision in the Constitution (art. I, secs. 3 and 4) for electing Senators. Section 3 of article I provides that if vacancies occur while the State legislature is not in session, the executive may make temporary appointments until the next meeting of the legislature. The report stresses the point that each House shall be the judge as to whether one has the proper credentials to hold his seat. Congress is given the power by the Constitution to prescribe the time and manner of electing Senators, citing the case of *Ex parte Siebold* (100 U. S. 371).

The Constitution of West Virginia provided that, "The legislature shall assemble at the seat of government biennially, and not oftener, unless convened by the Governor. The first session of the legislature after the adoption of this constitution shall commence on the third Tuesday of November 1872; and the regular biennial session of the legislature shall commence on the second Wednesday of January 1875, and every 2 years thereafter on the same day (art. VI, sec. 7)." Article VII, section 7, is the section that is similar to section 80 of the present Kentucky Constitution. It reads, "The Governor may, on extraordinary occasions, convene, at his own instance, the legislature; but, when so convened, it shall enter upon no business except that stated in the proclamation by which it was called together."

Mr. Faulkner was not elected to the Senate until a special session of the legislature was called by the Governor, soon after the 5th of March 1887. This session was called to consider eight specified objects, none of which was the election of a senator. Having set forth the facts, the report then discusses two questions arising in the case.

First, as to the action of the legislature. Was the body which sat in pursuance of the Governor's call a legislature in the constitutional sense? Mr. Lucas claimed that since it was not called to elect a Senator, if it did elect a Senator then it was not a legislature, for it was violating the constitution of the State. However, the Senate committee did not agree with this argument, for, it pointed out, the body passed upon legislation concerning the eight specified objects, as a legislature, and it could surely pass upon a matter or duty imposed upon it by the Constitution of the United States, which is the supreme authority of the land. It points out that where the State constitution conflicts with the Federal Constitution, the latter must prevail. To the first question, the committee held that the special session of the legislature could elect Mr. Faulkner even though such an election was not one of the purposes for calling same.

The second question was as to the qualifications of Mr. Faulkner. The issue on this point is not pertinent here.

The report, which was evidently written by Senator Hoar, an able constitutional lawyer, says:

"It is claimed by Mr. Lucas that, as this body was not permitted to enter upon any legislative business except such as related to the eight matters set forth in the call, it was not a legislature, but was a body deriving its power from the will of the executive, and so was exerting a certain executive or quasi-executive functions something like that which is exercised by the Senate in giving its assent to the nomination of public officers."

"But it seems to us that this view cannot be supported. In the first place, the body is expressly declared by the constitution of West Virginia itself to be a legislature. In the next place, the function which it exercised in making enactments upon the eight great subjects mentioned in the call of the Governor is clearly a legislative function."

"It is difficult to conceive of any definition of the word 'legislature' which would not include a body capable of passing and actually passing such enactments as these (subjects in call). They can be binding on the people of the Commonwealth only as legislation. They would be subject to be construed and enforced by the courts of that State only in their character as laws."

"But it seems to the committee that the construction of the State constitution upon which the above argument is based is one which will not bear examination. When that constitution provided that the legislature so convened in extraordinary occasions 'should enter upon no business except that stated in the proclamation by which it was called together,' the people must be presumed to have had in mind business to be transacted under authority of the State constitution, and not to have intended to prohibit the performance of duties imposed upon it by the supreme authority of the Constitution of the United States."

"If the argument be sound that a legislative body which is prohibited from entering upon certain classes of business, or which is confined to certain classes of business clearly legislative in their character, is no legislature in the constitutional sense, its logic would require us to declare that the legislature of every State whose bill of rights excludes it from large domains of legislation is no legislative body. If under the same provision of the Constitution of the United States the act of Congress had fixed a day for holding elections for Representatives to Congress and the State constitution or laws should prohibit the assembling of the people for such elections on the day so fixed, it would, we suppose, be held clear that the act of the State would be void and the authority of the act of Congress would prevail."

"We cannot see any difference between such prohibition of a State constitution applicable to the constitutional electors of senators, who are members of the State legislature, and the constitutional electors of representatives, who are a body of electors authorized to vote for members of the most numerous branch of the State legislature."

"We are therefore clearly of the opinion that the election of Mr. Faulkner at the special session of the Legislature of West Virginia was valid."

If further authority is necessary to rebut the theory of Mr. Watson that there is an analogy between the action of the State legislature in performing its functions under the Federal Constitution and ordinary legislation, we find it in the cases cited by appellees for the following proposition quoted from their brief:

"The ratification of a proposed amendment to the Federal Constitution by the State legislature is not legislation and does not require any previous proclamation for consideration and action, if the legislature is in fact in session, whether general or special."

Appellees refer to the following cases supporting this proposition:

*Leser v. Garnett* (1922) (258 U. S. 130, 42 S. Ct. 217).

*National Prohibition cases* (253 U. S. 350, 386, 40 S. Ct. 486).

*State v. Sevier* (1933) (333 Mo. 662, 66 S. W. (2d) 895).

*State v. Sevier* (certiorari denied) (54 S. Ct. 132).

*Pryor v. Nolan* (68 Colo. 286, 188 P. 729, 731).

*Opinions of Justices* (118 Me. 544, 107 Atl. 673).

We think the conclusion is inescapable that a State can act but once, either by convention or through its legislature, upon a proposed amendment; and, whether its vote be in the affirmative

or be negative, having acted, it has exhausted its power further to consider the question without a resubmission by Congress. If we should be in error in this conclusion—and, of course, our position on this question must bow to the views of the Supreme Court of the United States when they are expressed thereon—there are nevertheless the additional questions as to whether or not rejection by more than one-fourth of the States at one time did not terminate the "offer" of the amendment by Congress, and whether or not, under the decision of the Supreme Court in *Dillon v. Gloss*, *supra*, more than a reasonable time had elapsed between the submission of the amendment and the alleged ratification by Kentucky. Accepting the analogy between the submission of an amendment by Congress and the making of an offer, under the principles of the law of contracts, the conclusion that the amendment was no longer before the States at the time of the purported ratification by Kentucky in 1937 seems inevitable. The proposition is succinctly stated in a letter published in the July 1934 number of the American Bar Association Journal, written by Mr. Frank W. Grinnell, of the Boston bar. He says:

"Since the Constitution requires a vote of three-fourths of the several States to ratify an amendment, it requires only one State more than one-fourth to defeat ratification, and it seems to follow as a matter of common sense and orderly procedure from the decision just referred to (*Dillon v. Gloss*) that the rule must work both ways, and that when 13 States (one more than one-fourth of the 48 States) have voted not to ratify an amendment, it is no longer pending, but is defeated until Congress sees fit to resubmit it. Otherwise, a State could change its mind in one direction after a final vote of the necessary number of States, but not in the other direction.

"In the case of the child-control amendment, not only 13 but 26 States voted not to ratify. I submit that it was clearly defeated. If this is not so, States might be subjected to constant agitations over defeated amendments after the citizens considered them defeated and were off their guard.

"When an amendment is submitted by Congress, the process of ratification is really a debate among the several States. If it is true, as I believe it to be, that at this time the child-control amendment is no longer before the States, the action of those States which have attempted to ratify it during 1933 has no legal effect.

"If we are to have deliberative government in this country on such important matters as amendments to the Constitution of the United States, is it not essential that we should maintain the rules of orderly procedure similar to those in our legislatures under which after a matter has been definitely defeated by the requisite majority it cannot be considered again unless it is resubmitted in the usual way—in this case by Congress?"

In addition to the fact that the amendment before us was rejected by more than one-fourth of the States—indeed, it appears from the record that 21 of the States in 1926 had not only rejected the amendment but the resolutions thereon were duly certified to the Secretary of State of the United States, and 37 States in all had actually rejected—there is the question, noted in *Dillon v. Gloss*, *supra*, from which we have quoted above at length, of whether or not more than a reasonable time has elapsed since the original submission of the amendment. Assuming that the rejection of the amendment by more than one-fourth of the States did not ipso facto terminate the proposal and require a resubmission by Congress if further action was to be taken, it may at the very least be doubted if 12½ years is a reasonable time within which to act. Leaving out of consideration the first 10 amendments to the Constitution (the Bill of Rights), the time required for the adoption of the 11 succeeding amendments was respectively as follows:

Eleventh: 2 years 4 months.

Twelfth: 9 months.

Thirteenth: 10 months.

Fourteenth: 2 years 1 month.

Fifteenth: 1 year 1 month.

Sixteenth: 3 years 6 months.

Seventeenth: 1 year 2 weeks.

Eighteenth: 1 year 1 month.

Nineteenth: 1 year 2 months.

Twentieth: 11 months.

Twenty-first: 9 months 2 weeks.

Average time: 1 year 6 months.

Since the decision in *Dillon v. Gloss*, *supra*, two proposals for amending the Constitution (since adopted as the twentieth and twenty-first amendments) each contained a limitation of 7 years. The power of Congress thus to fix a reasonable limitation upon the time within which an amendment should remain before the States having been sustained in *Dillon v. Gloss*, and Congress having attached a limitation of 7 years to its submission of both the twentieth and twenty-first amendments, it does not seem improper to conclude that this is the period considered by that body to represent a reasonable time for the States to act. Certainly, 7 years is not too short a time, in view of the history of previous amendments as shown in the table above. Taking the instant amendment itself, action had been taken in forty-two of the forty-eight States by the close of 1927. The fact that but one State (Colorado in 1931) acted between 1927 and 1933 indicates very strongly that general sentiment considered the proposition to be no longer before the people. It seems clear that the "reasonable time" during which the "offer" remained open necessarily expired at some time during the period of apparent abandonment

between the end of 1927 and the revival of interest in 1933. Certainly, by any yardstick, more than a reasonable time had elapsed by January 1937.

Concluding, as we must, that the petition in this case has stated a cause of action, we are nevertheless confronted with the proposition urged on behalf of appellees to the effect that, since the Governor's certification to the Secretary of State of the United States is *fait accompli*, the case is moot to the extent that the Court can grant no effective relief, even though it should proceed to make a declaration of rights under Civil Code, section 639a et seq. Appellants justify the procedure which they have adopted in presenting the question as to the validity of the amendment under the decision of the Supreme Court of the United States in *Leser v. Garnett* (258 U. S. 130, 42 S. Ct. 217, 66 L. Ed. 505), to the effect that an official notice to the Secretary of State, duly authenticated, that the legislature of a given State had adopted a resolution of ratification of a proposed amendment to the Federal Constitution, is "conclusive on him" and that his proclamation certifying that he had received such notices from three-fourths of the States and that the amendment in question had therefore become a part of the Federal Constitution is "conclusive upon the courts." Under this decision, the claimed ratification of an amendment cannot be challenged after the proclamation by the Secretary of State of the United States.

Obviously, therefore, if there is to be a judicial determination of the validity of the action taken by any State, it must occur during the interim following the action by such State and the date of proclamation by the Secretary. It is not questioned but that the Governor acted in a purely ministerial capacity in forwarding the certified copy of the resolution of the general assembly, and it has been held that the Secretary of State acts ministerially in proclaiming an amendment under section 205 of the Revised Statutes of the United States (U. S. C. A., title 5, sec. 160). *United States v. Colby* (265 Fed. 998, 49 App. D. C. 358) (writ of error dismissed, 257 U. S. 619). The amendment becomes effective upon its ratification by the thirty-sixth State and does not await a proclamation by the Secretary of State to give it vitality. *Dillon v. Gloss*, *supra*. It is apparent, therefore, that the action of the Governor in forwarding the resolution of the general assembly to the Secretary of State did not of itself add anything to the action of the general assembly other than to make a record which was *prima facie* evidence of the action taken by Kentucky. It would be surprising to learn that a Governor might irrevocably commit his State to the adoption or rejection of a constitutional amendment by a mere certification to the Secretary of State. We do not think that such a rule is to be implied from the decision in *Leser v. Garnett*, *supra*. Section 205 of the Revised Statutes of the United States (U. S. C. A., title 5, sec. 160) provides:

"Whenever official notice is received at the Department of State that any amendment proposed to the Constitution of the United States has been adopted, according to the provisions of the Constitution, the Secretary of State shall forthwith cause the amendment to be published, with his certificate, specifying the States by which the same may have been adopted, and that the same has become valid, to all intents and purposes, as a part of the Constitution of the United States."

Surely, the Secretary of State must determine whether or not the certification by the Governor is "according to the provisions of the Constitution." If, as we conceive, the amendment was no longer before the States at the time of the purported adoption by the General Assembly of Kentucky, then the certification by the Governor was a nullity and could and should be ignored by the Secretary of State.

If the certificate of the Governor showing the purported ratification by the State of Kentucky cannot be impeached, then, by the same token, the certificate of the Governor to the resolution of rejection, passed in 1926, and thereafter duly forwarded to the Secretary of State, is likewise not subject to question, and it would therefore be the duty of the Secretary of State to ignore the second certification. In both *Leser v. Garnett*, *supra*, and *United States v. Colby*, *supra*, the official notices in the Department of State were apparently regular in form and unchallenged at the time when the proclamation of the Secretary was made. It was held that those notices had created a presumption conclusive upon the Secretary of State that the legislatures of the States from which they came had duly adopted resolutions of ratification. Certainly this presumption would attach to the record of rejection no less than the subsequent record of purported ratification, and it seems clear that a decision by a court having jurisdiction of the question would be binding as to the validity or invalidity of the record concerning a particular State.

In *Miller v. Johnson* (92 Ky. 589, 18 S. W. 522), certain voters and taxpayers, suing on behalf of themselves and others similarly interested, brought an action against the public printer and the secretary of state to enjoin the former from printing the State constitution just promulgated by the constitutional convention of 1891 and the latter from "preserving it in the State archives as the constitution of the State, and also asked that it be adjudged not to be such but spurious and invalid." In determining that case the Court said:

"It is urged upon the part of the appellees that the appellants' suit is based upon a speculative idea of injury; and that no such special, particular, and substantial damage is impending to them as to authorize it. Also, that the action does not lie against the appellees because the printing or preservation of the instrument



will not add to or detract from its validity. We waive the consideration of these objections, because, even if entitled to it, the importance of this controversy to the State requires a decision upon the merits."

Appellees have waived any question as to the right of the appellants to maintain this suit (*Board of Park Commissioners v. Speed*, 215 Ky. 319, 285 S. W. 212), and, aside from this, "the importance of this controversy to the State requires a decision upon the merits." The fact that the Governor certified the resolution to the secretary of state after this suit was filed did not deprive the courts of the jurisdiction already attached to determine the controversy and to make a declaration of rights under Civil Code, section 639a et seq. (*McHugh v. Louisville Bridge Co.*, 23 Ky. Law Reporter, 1546, 65 S. W. 456; *St. L. & S. F. R. Co. v. Cross*, 171 Fed. 480, 32 C. J. 77).

In 32 C. J. 24 the text, supported by numerous authorities, says:

"Where defendant has fully completed the act sought to be restrained, after the filing of the bill but before the issuance of any order or decree, the court has power to compel by mandatory injunction the restoration of the former condition of things, and thereby prevent the gaining of an advantage by reason of the wrongful act, providing plaintiff has been guilty of no wrongful acquiescence or delay. Where defendant does an act which the bill seeks to enjoin, he acts at his peril and is subject to the power of the court to compel a restoration of the status, or to grant such other relief as may be proper under the particular circumstances of the case."

Under the circumstances here presented, a mandatory order directing the Governor to notify the secretary of state of the decision of this court would be entirely unnecessary. The court itself, with equal effect, may direct its clerk to certify a copy of its judgment concerning the status of the amendment without the necessity of directing action by a coordinate branch of the State government.

Since the question is before us on demurrer to the petition, and appellees may desire to assert some further defense, the case will have to be returned to the circuit court with directions to overrule the demurrer to the petition and for such further proceedings as are not inconsistent with the views herein expressed.

Judgment reversed.  
Whole court sitting.

#### NAVY DEPARTMENT APPROPRIATION BILL, 1939

Mr. UMSTEAD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 8993) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1939, and for other purposes; and, pending that motion, I ask unanimous consent that general debate may continue for the remainder of the day, the time to be equally divided between myself and the gentleman from Pennsylvania [Mr. DITTER].

Mr. FISH. Mr. Speaker, I reserve the right to object for the purpose of asking a question of the gentleman from North Carolina.

Can the gentleman from North Carolina give assurance that the debate will go on further than today?

Mr. UMSTEAD. I can, and do.

Mr. FISH. Now, can the gentleman inform the House when the President will send in his message about a further increase in the Navy?

Mr. UMSTEAD. I regret I cannot.

Mr. FISH. Does the gentleman know whether that message is ready to be presented to the Congress?

Mr. UMSTEAD. I do not.

Mr. FISH. And the gentleman has no idea when it will be brought up?

Mr. UMSTEAD. I have not.

Mr. BOILEAU. Mr. Speaker, reserving the right to object, the gentleman has given us assurance that debate will run along longer than this afternoon. Will the gentleman tell us what his present intentions are with respect to general debate?

Mr. UMSTEAD. I hope we may conclude general debate tomorrow.

Mr. BOILEAU. Is it the intention to continue on tomorrow with general debate on this bill, or are we going to take up Calendar Wednesday business?

Mr. UMSTEAD. I understand from the majority leader that there is one matter to be brought up tomorrow from the committee which will be called on Calendar Wednesday, which it is expected will take but a very short time.

Mr. BOILEAU. Mr. Speaker, I appreciate the fact that the majority leader undoubtedly has reason to believe the matter can be disposed of rapidly, but if it is a matter that has to be called up on Calendar Wednesday, it is possible that it may be such a matter as will require considerable time. I am hopeful that we can be assured of having at least 8 or 9 hours of general debate upon this bill. I do not desire to object to any request the gentleman from North Carolina has to make, provided we have an assurance that we will have 8 or 9 hours of general debate, and that is important from the standpoint of those of us who desire time. I appreciate the fact that the gentleman from Pennsylvania [Mr. DITTER] cannot promise time unless he knows how long it is to be extended, and he will necessarily be required to shorten the time allotted to Members unless he knows there is to be an extended debate.

Mr. UMSTEAD. Mr. Speaker, if the gentleman cannot get all of the time he wants from the gentleman from Pennsylvania, and if he will be so kind as to confer with me, I shall do all I can to get him whatever time he may need. For 2 years, to my knowledge, no man who has wished to speak on the naval appropriation bill has been refused, on this side of the House, an opportunity to do so.

Mr. BOILEAU. I appreciate that. I know the gentleman has been very fair in that respect, and the gentleman from Pennsylvania [Mr. DITTER] likewise has been fair. I know many Members want to speak on this bill. It is the most important of all of the appropriation bills, I think, in view of the administration's intent to increase the appropriations for war machinery, and with the gentleman's assurance that debate will not be cut off until Members have adequate opportunity to express themselves on this bill, I shall not object.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The SPEAKER. The question now is on the motion of the gentleman from North Carolina that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the naval appropriation bill.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 8993, the naval appropriation bill, with Mr. SMITH of Virginia temporarily in the chair.

The Clerk reported the title of the bill.

Mr. UMSTEAD. Mr. Chairman, I move that the first reading of the bill be dispensed with.

The motion was agreed to.

Mr. UMSTEAD. Mr. Chairman, I yield myself 45 minutes. As chairman of the subcommittee of the Committee on Appropriations for the Navy Department, I now submit for the consideration of the House the bill making appropriations for that Department for the fiscal year 1939, and I shall preface my remarks about this bill with substantially the same introductory statement I made on the floor last year in presenting the bill for the current fiscal year.

The Appropriations Committee does not determine the Government's naval policy. This policy is determined by Congress and the administration in power. When Congress has expressed its will through legislation, and when the Government's naval policy has been determined upon pursuant thereto by the administration then in power, it is the task of our committee, as I understand it, to determine when and in what amount sums shall be made available to effectuate that policy, consistent with good business judgment and ordinary common sense. I also consider it the duty of our committee to see to it that no greater sums are recommended than appear to be reasonably necessary under the facts and circumstances existing at the time of the consideration of the estimates effectually to carry out the will of Congress.

We of the committee believe that the amounts recommended in this bill will be sufficient to continue the building program, maintain the necessary personnel of officers and

enlisted men, adequately support the various shore stations and departments, proceed with replacements and expansion under the aviation program, and further, that by economical and proper use of the funds carried in this bill, the Navy will have sufficient money to carry on effectively and efficiently its entire establishment.

It manifestly would be impossible for me to take the time today to discuss with those of you who are interested all of the details incident to the appropriations carried in the bill. I shall, therefore, undertake to call your attention to a few of the most important items now before us for consideration.

The Naval Appropriation Act for 1938, the current fiscal year, carries the sum of \$526,543,308. The naval appropriation bill for 1939, which we are now recommending to you, carries \$549,195,494, while the Budget estimates for 1939 amount to \$564,406,461. I call attention to the fact that the bill before you is \$32,652,186 over the 1938, or current, Naval Appropriation Act, and is under the Budget estimates by the sum of \$15,210,967, of which amount it is only fair to say to you that \$4,071,000 consists of reappropriations, leaving a net decrease under the Budget estimates of \$11,139,967.

In connection with the size of this measure, I feel that I should say to you that in 1935 the committee was advised that the annual cost of the Navy, when completely built and rounded out as contemplated by the Vinson-Trammell Act, would be approximately \$555,000,000. That figure was increased by \$29,000,000 a year ago, because of an omission in the former calculation. During the hearings on the pending measure it developed that it would need to be further increased because of an underestimate of the number of enlisted men that would be needed. Furthermore, since that estimate was prepared leave laws have been enacted, adding several millions more, and it is manifest that shipbuilding costs have assumed proportions never before contemplated. The committee has no more recent prophecy from the Department of what the ultimate figure might be, but it is my opinion that the Navy, when completed along the lines contemplated by the Vinson-Trammell Act, will cost a minimum of \$650,000,000 a year, and that sum is exclusive of additions in consequence of whatever increases the Congress hereafter may authorize in the size of the Navy, which, of course, when carried out, will add to the annual maintenance load in proportion to the size of the expansion authorized.

In presenting the various phases of this appropriation bill, I call attention first of all to the report. In this report the committee has endeavored to give you a clear-cut view of what we have endeavored to do in this bill.

#### NAVAL RESERVE OFFICERS' TRAINING CORPS

The first item of importance which I shall discuss relates to the Naval Reserve Officers' Training Corps. Prior to last August the authorized strength of the Naval Reserve Officers' Training Corps was 1,200. There are six educational institutions in the United States where Naval Reserve Officers' Training Corps units are maintained: Harvard University, Yale, Northwestern, Georgia Tech, the University of Washington, and the University of California. In each of the last two appropriation bills we have been confronted with proposals to expand this activity in an indirect way. We declined to recommend an increase because we took the view that we did not have the authority to do so because of the limitation of 1,200 enrollees. On August 6, however, the last Congress enacted a law providing for a maximum of 2,400 Naval R. O. T. C. students.

Therefore, we were confronted with a request for funds amply to provide for the entire increase of 1,200 or for a total of 2,400 enrollees. Your committee, however, carefully going over the situation, thought the wise thing to do was to permit the Navy Department to establish two additional units instead of five and also to grant authority to add 200 additional enrollees to the units in the six schools now in existence, which will have the effect of providing 600 additional R. O. T. C. enrollees with the establishment of only two additional schools at this time. The committee

did not feel that the new legislation contemplated immediate full compliance.

#### NAVAL RESERVE

Under the heading Naval Reserve, I call attention to the fact that the decrease appearing in that item is largely occasioned by the smaller number of aviation cadets expected to be at Pensacola during the year 1939. The number will be reduced from an average of 406 to an average of 340. That reduction at Pensacola will be offset, however, in large measure by two things. The first is that a larger number of aviation cadets will be on active duty with the fleet, the number increasing from an average of 451 in 1938 to an average of 674 in 1939, and the second matter which takes up most of the reduction is the fact that the Department has found that the training flight hours of its students at Pensacola should be increased from 264 to 288, which, of course, will occasion an increase in the cost of that training.

#### NAVAL ACADEMY

I come now to the Naval Academy and shall confine my remarks to the matter of appointments. We have continued for a number of years to provide for four appointments to the Naval Academy. There are those who think the number should be increased to five; likewise there are those who believe the number should be reduced to three. Your committee, after a very careful and exhaustive study of the matter, came to the conclusion that the number should remain as it is—four for the present. In this connection, I think it is fair to say, Mr. Chairman, that the present authorized line officer strength of the Navy is 6,531 officers. If you will refer to page 84 of the hearings you will find listed there the number of officers expected to be in the Navy each year for the next several years. You will find that in 1939 there will be in the Navy 6,061 line officers; also, during 1939, which does not appear in the table, there will be 674 aviation cadets on active duty with the fleet.

The statute which fixed the limit of officer strength of the Navy at 6,531 did not take into consideration in fixing that limit the aviation cadets, but the Navy Department recognizes the aviation cadet as an officer of the Navy, and has definitely in its plans allocated the proportion of aviation cadets in the Air Corps to the number of regular line officers which the organization should and must have. If, therefore, you add to the 6,061 line officers in 1939, 674 aviation cadets who will then be in the service, it gives you a total of 6,735 officers for 1939. These figures are exclusive of additional numbers. It is to be noted that the additional numbers, so-called, are not officers who are inefficient or who are not capable, but they have merely been passed over by selection boards largely because of the fact that there were not enough places at the top to put them all. They are still capable of performing useful and satisfactory service in the Navy. There will be in 1939, 763 so-called "additional number" officers which, if added to the total I gave you a few moments ago, makes a grand total of available officer personnel of 7,498 during 1939, which certainly should be sufficient to meet the needs of the Navy we are now building, and also should be sufficient to meet the reasonable requirements of such additions as later may be made to the Navy.

On the question of reducing the number of appointments, your committee did not think that now wise. In the first place, the number of appointments was not increased to four, the present number, until 1935. Prior to that time the number for some time had been three. The first graduating class under the fourth appointment arrangement will not be ready to enter into the Navy until 1939; and, certainly, we feel that until the full force and effect of the fourth appointment outflow is known, we should leave the number of appointments as it is at present. I confess to you Members who are interested in this matter that last year, when I presented this bill, it was my deliberate opinion that this year we could reduce the number of appointments to three. I recall that because I know I made that statement to a



number of gentlemen in the House; but conditions have materially changed since then, and I feel that it would be a mistake at this time to undertake to reduce the appointments below the number presently fixed in the bill.

#### BUREAU OF ENGINEERING

In the Bureau of Engineering we were faced with several substantial increases comprised largely of three items: One, \$782,100 to provide for a greater number of overhauls, which, of course, is responsive to the operating force plan of the Navy; second, the renewal of cables in magazines of certain ships. A third item is the replacement of storage batteries in submarines. There is an item of increase, also, occasioned by the larger number of ships that will be in commission.

The proposition to recommission the *Pyro* again was presented to us. The *Pyro* is an ammunition ship. The United States Navy has only one ammunition ship at the present time in the service, the *Nitro*. Last year we declined to recommend that the *Pyro* be refitted and recommissioned. The present situation, however, is such that if the *Nitro* should meet with accident or should necessarily have to be laid up for any length of time it might result in serious inconvenience to the Naval Establishment. We handle the item in this way: We have provided money in this bill, about \$435,000, as I recall, for the equipment and reconditioning of this ship to make it thoroughly ready for immediate service and usefulness, but we have declined to give the Navy the men with which to commission the ship and put it into active service, feeling that if it had to be called into service it would be a matter of only a few hours before the necessary personnel could be transferred to this vessel and make it available for all purposes for which the Navy may need to employ it.

The increase which you notice in our report under the Bureau of Construction and Repair is caused largely by the same or similar factors to which I have already referred—the larger number of ships coming into commission and the greater number of overhauls, the greater necessity for changes and improvements, and for repairing vessels.

#### BUREAU OF ORDNANCE

Under the Bureau of Ordnance we were confronted with an increase of a substantial amount caused principally by two things:

First, provision for reopening the torpedo station at Alexandria, Va.; and, secondly, the program to replace large-caliber projectiles, started several years ago, which will cost \$25,000,000 and toward which \$9,600,000 heretofore has been appropriated.

With reference to the torpedo station at Alexandria, I desire to make a statement because there seems to be existing among the membership of the House from certain sections of the country a difference of opinion as to the desirability of reopening the station at Alexandria. Of course, your committee did not have the opportunity nor the means of going over the country inspecting all of the possible places where torpedoes could be made. We had to consider, first, the necessity of providing for additional torpedoes for the Navy, and, secondly, the recommendation of the Navy Department as to how additional torpedoes could be supplied with the greatest amount of speed and the smallest amount of cost.

Navy Department officials stated, and it appears in the hearings, that all of the available locations in the United States under the jurisdiction of the Navy were examined. They give the reasons in the hearings why Alexandria was selected. In the first place, the Government now possesses at Alexandria an adequate building and certain facilities which have a replacement value of approximately \$2,000,000. It was constructed during the war for the manufacture of torpedoes and was closed in 1923.

In the second place, the Navy Department takes the position that the factory at Alexandria can be reopened not only for less money but more quickly than at any other place in the United States for the making of torpedoes.

The situation with reference to the need for torpedoes in brief is this: We are told by the naval authorities that

with the maximum output from the torpedo station at Newport, and with the maximum output it expects to get from Alexandria, it will not be possible to catch up with normal requirements until 1944 or 1945. You will recognize that during the past few years we have been bringing into the fleet of our Navy destroyers in large numbers, submarines in large numbers, and aircraft which now carry torpedoes as a part of their equipment. These things have tremendously increased the demand for torpedoes.

The torpedo station at Newport, R. I., is running 24 hours a day. It is working three shifts. Its employees have increased to the largest number in the history of the establishment, namely, 3,375 men. It cannot put out any more torpedoes unless and until work is done on the station at Newport to improve its machinery and productivity. Navy Department officials testified that even if that were done it did not believe the output of the present plant could be increased by more than 10 percent of its present production. I submit, therefore, whether you and I believe in all that the Congress has authorized in the way of naval expansion or not, whether you and I believe that we ought to have all these ships or not, certainly we cannot take the position that having spent the money to build the ships and having enlisted the personnel to put on the ships, we will not provide those vessels with the normal amount of equipment necessary to their usefulness in time of emergency.

Navy Department officials stated repeatedly in the hearings that Alexandria is the most logical place now available to increase the manufacture of torpedoes. There is carried in this bill a total of \$1,532,153 for this purpose. To those who are interested in Newport, and there are many, I may say we have there a fine establishment, as appears from the evidence before our committee. I think every man on the subcommittee was tremendously impressed by the fine showing the Newport station is making, in spite of the fact they are operating 24 hours a day. In order to impress upon the Congress and the Department that the subcommittee has no idea of permitting the reopening of the Alexandria station to be a forerunner or the beginning of a reduction in the work at Newport, this committee has placed in this bill a provision which will enable the Navy Department, out of its appropriation for armor, armament, and ammunition, to spend \$200,000 on the Newport station to begin a program of replacement of machinery and machine tools, which no doubt should have been undertaken long ago, but which probably was not because of possible interference with production. We feel that that course should be an absolute assurance to every man in this House and an indication to the Navy Department that the Committee on Appropriations does not propose to permit production activity at the torpedo station at Newport to be diminished because of the opening of the station at Alexandria.

#### PAY, SUBSISTENCE, AND TRANSPORTATION, NAVY

I come next to the largest item in the appropriation bill—"Pay, subsistence, and transportation, Navy." I shall not dwell long on the matters embraced by this appropriation. The Navy Department estimated 3 years ago that the number of enlisted men it would require properly to man the treaty-strength navy or, rather, I should say, a navy in accordance with the Vinson-Trammell Act, would be 111,000 men. For the present fiscal year provision was made for 105,000 enlisted men. For the year 1939 the Department is asking for 110,570 men, an additional number of 5,570 men.

This committee, after carefully examining the progress of work sheets pertaining to vessels under construction, which show when each of the vessels now being built is expected to be brought into service, came to the conclusion that 470 of the number of men requested should not be granted, and, therefore, reduced the additional number requested from 5,570 to 5,100, and has allowed for an increase of the latter number of men.

The only other item under this head which I shall mention appears in the language of the bill, which has been changed so as to require a reduction in the number of flag officers who will be eligible to flight pay from three to two.

The recommendation made to our committee was to increase the number by one, making allowance for four. Your committee went in absolutely the opposite direction and decreased the number to two. We feel this action is justified and the statement in the report clearly explains why the committee pursued this course.

#### NAVAL SUPPLY ACCOUNT FUND

We were confronted with a request to increase the capital of the naval supply account fund by \$7,000,000.

The naval supply account fund is the financing account employed by the Navy in the purchase of supplies for the Naval Establishment generally. The supplies are carried in store and when requisitioned are charged to the proper appropriations. The testimony was that they conduct a business which had a turnover last year of approximately \$125,000,000. To do this business they had a capital of about \$71,000,000. The building program and the increase in aviation have placed some additional load upon the naval supply account fund, but your committee, after careful consideration, has not seen fit to recommend an increase in the capital fund of \$7,000,000, but is proposing, instead, that during the fiscal year 1939 an amount equivalent to such funds as otherwise would revert to the Treasury from the sale of worn out, obsolescent, or unusable material in the possession and custody of the Navy shall be available to that fund as additional capital. The amount so turned into the Treasury during the fiscal year of 1936 was approximately \$903,000.

#### FUEL AND TRANSPORTATION

Another large item of expenditure in the Navy is fuel and transportation. You will see on page 14 of the report the number of barrels of oil which has been used by the Navy during the last few years up through and including the year 1937. We based this year's appropriation upon 8,000,000 barrels at an average cost per barrel of 84.4 cents per barrel. The latest estimate we have from the Navy Department, based upon most recent prices, is 97.41 cents per barrel. Therefore, we have made allowance at that rate for 8,000,000 barrels for 1939. The estimate calls for 8,237,420 barrels. The lesser quantity results in a saving of approximately \$231,500.

#### BUREAU OF YARDS AND DOCKS

I shall not dwell upon the maintenance activities of the Bureau of Yards and Docks. They comprise the repair and maintenance of all buildings, plants, and facilities, other than shop machinery and tools, at industrial navy yards and establishments, the operation and upkeep of power plants, and the provision, operation, and maintenance of transportation facilities of all kinds.

Under the head "Public Works" you see first of all three reductions we have made. At the naval station at Balboa the sum of \$58,000 was requested for the purpose of constructing officers' quarters. We have not recommended that this amount be included. At the submarine base and at the fleet air base at Coco Solo, such requests as were made for quarters for enlisted personnel your committee recommends be granted, but does not recommend that the requests for funds for quarters for officers be granted at this time. We felt that to engage in all of the program this year probably would be more than we should be justified in recommending to the Congress.

Your committee went over the item affecting the air station at Alameda very carefully. Last year we appropriated \$1,000,000 for the purpose of beginning the construction of the air station at Alameda, if and when the grantors and donors of the land complied with the terms of the authorizing statute passed by Congress in the year before last.

The terms of that act were not complied with until in December just passed. Therefore, the entire million dollars we appropriated for use throughout this present fiscal year is now available for use in connection with the development of that project. We believe, therefore, that instead of needing \$2,000,000 cash, as requested in the bill, to continue the project through 1939, \$1,500,000 is all that probably will be required. Of course, the reduction of \$500,000 does not in any

way affect or change the authorization carried in the bill of \$4,800,000 for getting projects underway.

I come next to the three items the committee has added to the bill under the head of Public Works. The first has to do with the extension of the structural shop at the Boston Navy Yard. You will find a statement about this in the report. The Boston Navy Yard has built and is building a large number of destroyers. The structural shop is 32 years old, 10 years older than any other structural shop in any navy yard in the country, and 13 years older than any except one.

This project is No. 1 on the priority list of the Boston Navy Yard, and has been approved by the Navy Department's shore development board. We believe the evidence before us justified the committee, in the interest of economical operation at the Boston Navy Yard, in placing in this bill a provision for the extension and improvement of the structural shop at that establishment.

At Mare Island we were faced with a condition which the committee thought very bad, relative to the storehouse facilities there. Congress heretofore had authorized an \$800,000 storehouse to be built at the Mare Island Navy Yard and there the matter stopped. Some members of our committee had the privilege of visiting Mare Island last year. I did not go, but those who went stated that an acute situation existed as to storage facilities. This evidence, coupled with the hearings and other evidence presented to us caused your committee to insert in this bill an item looking to the improvement of existing conditions, but not to the full amount of \$800,000. We propose a limit of \$500,000, and provide \$250,000 in cash for the year 1939.

The third item placed in the bill has to do with the power plant at Pensacola. The evidence is that the power plant is old, expensive in its maintenance cost, and not performing efficiently or effectively, and that ultimately it would be a saving to the Government if we would take the proper steps now to replace the worn out and obsolescent material.

#### AVIATION

I now come to a subject in which perhaps more Members are interested than any other phase of the Navy's activities, "Aviation, Navy." I am sure that at first blush, when you examine the report and the bill, you will wonder why of all items in the bill this item was reduced in the Budget estimates. As far as the committee is concerned, this part of the bill is written in exactly the language in which it came to us, and not one item of reduction is made in the appropriation for "Aviation, Navy." The fact the appropriation does appear to have been reduced, I believe, requires an explanation.

First of all, what will our situation be with the money which is carried in this bill? We are providing funds, cash, and contract authorization, to permit the purchase of 319 planes, and, if you will divide the 319 into the amount of \$21,258,000, you will find that the average cost of the 319 planes, without regard to type, but simply dividing the total number into the amount that may be obligated, is somewhat in excess of \$66,600 per plane. Of course, this does not mean that all planes cost \$66,600, neither does it mean that this is the maximum the planes will cost, because some planes cost a great deal more and some cost less.

At the time the Vinson-Trammell Act was passed, the Navy estimated it would be necessary to have 1,910 useful planes to go along with a navy of the size provided for by that act.

On July 1, 1939, there will be on hand and on contract 1,870 planes, which means that on July 1, 1939, we will either have on hand or on order only 40 planes less than the number originally stated as being necessary for a navy of Vinson-Trammell Act proportions.

The number of necessary planes, however, will need to be increased in the opinion of the Bureau of Aeronautics from 1,910 to 2,050.

I have given you a bird's-eye view of the prospective airplane situation as of July 1, 1939. I am sure you will be interested in knowing of the situation at the present time.



We have on hand 1,002 so-called program planes. They are the newest ones, the best ones, the ones purchased under this building program. We have nonprogram planes, but planes which are capable of unrestricted use, 132. We have planes ordered, now on order and undelivered, 652. We have funds now available, as of this date, in the present fiscal year with which to purchase an additional 320 planes, which would make a total of 2,106.

In addition to those, we have 341 so-called nonprogram planes which may be used only in a restricted sense, and I am excluding these from the number of planes actually in the service for the reason they are not available for all types and all kinds of service.

The figures I have just given you are exclusive of the funds carried in this bill for the purchase of 319 additional planes.

After I finish my statement, of course, I shall be pleased to answer any questions that those of you who may be interested in aviation, Navy, or any other matter which I have discussed, may see fit to ask.

#### MARINE CORPS

Under the Marine Corps we have made provision for 1,000 additional enlisted men and 20 additional officers.

We have made no cut in the Marine Corps except in two instances, one item of \$15,000 for vehicles for transporting sound detectors, which we have cut out of the bill, and \$100,000 for the building of a dam to construct a water reservoir down at Quantico, for which we could find no authority for making the appropriation and, furthermore, the land was owned by the Interior Department and under control of the National Park Service, and there was no suggestion that it would be turned over to the exclusive control and use of the Navy.

#### REPLACEMENT, NAVY

The next item is "Replacement, Navy," and on that item I desire to give you some figures.

The United States spent in 1936 under this item, which is responsive to the Vinson-Trammell Act; and permit me to say in the beginning that, with the possible exception of four vessels carried in the present bill, about which there may be some dispute as to whether or not they properly come within the meaning of the Vinson-Trammell Act, all of the vessels for which appropriations have been made since 1933 and all of the ship-construction items in this bill are responsive to the legislation enacted by Congress when it passed the Vinson-Trammell Navy Act.

In 1936 we spent \$182,539,516 for new construction; in 1937, \$181,564,326; on July 1, 1937, there was a carry-over in this item of appropriation, which is a continuing appropriation, of \$99,184,579, and the appropriation for 1938 in new money was \$130,000,000, making the total available for expenditure during the fiscal year of 1938, \$229,184,579.

The estimated expenditure for 1938, the present fiscal year, is \$184,339,308, leaving an estimated carry-over of \$44,845,271 available for use in 1939.

There is carried in this bill in cash for 1939, new money, to be added to the \$44,845,271, \$138,063,150, making the total available for new construction under the "Replacement, Navy," program, in 1939, \$182,908,421.

You will find on page 18 a list of the vessels for the commencement of which funds are provided in this bill, both as to their classification and their numbers and the unit price.

Since 1933 it is interesting to note that for new construction Congress has appropriated for 119 vessels, either built or now building, the tremendous sum of \$1,443,643,280. The cost of the 22 vessels for which provision is made in this bill, when completed, according to the estimates, will be \$318,729,000, making a total cost of the 141 vessels built, building, and provided for in this bill of \$1,762,372,000.

This is somewhat of a picture of the building program of this Government so far as its Navy is concerned since 1933.

With reference to the item in this bill for "Replacement, Navy," your committee made two reductions: First, a modi-

fication of Budget figures in the sum of \$3,100,000, and, secondly, an elimination of an item of \$2,536,850 which was put in the bill for the purpose of making changes, additions, and improvements on vessels which, according to the progress of work sheets of the Department, were commissioned and brought into service during the fiscal years of 1936 and 1937. We found upon inquiry that for 27 months after the commissioning of a vessel the Navy Department has undertaken to continue to expend money on that vessel and charge the expenditure to the "Replacement, Navy," fund.

Your committee did not think that procedure wise. We felt that certainly at sometime these ships should be completed; that certainly at sometime, a reasonable time, a ship should be completed and that such alterations as thereafter might have to be made should be charged to maintenance rather than to new construction. Therefore we not only cut out the item of \$2,536,850, but wrote into the bill that the Navy Department hereafter should not spend money on vessels longer than 12 months after completion and charge the cost to "Replacement, Navy."

I see the distinguished chairman of the Naval Affairs Committee here, the gentleman from Georgia [Mr. VINSON]. He will agree with me that there is an existing law which says that not in excess of \$450,000 shall be expended on any one vessel for improvements or changes without legislative authority, but under the procedure we found to obtain there has been absolutely no limit to the amount that could be expended upon a vessel after its so-called completion, and after it had been commissioned.

The CHAIRMAN. The Chair informs the gentleman that he has used 45 minutes.

Mr. UMSTEAD. Mr. Chairman, I yield myself 15 minutes more. I wish to mention two things, and then I shall be glad to try to answer any questions gentlemen may care to ask. Last year I called the attention of the legislative committee to the matter of travel pay and allowance as regards naval personnel. I do so again without dwelling upon it, because it appears in the hearings as well as in my remarks of last year. I do wish to call the attention of Congress to a matter which alarms me somewhat in looking at it from long range.

I do not pretend to take the position that I am properly and adequately informed about it. It is a matter of legislation and not appropriation, fundamentally, but the question of retired pay for officers and men in the Navy has come to be an item of tremendous importance. It developed from an examination of facts and figures that in 1933, which was the last year before the economy act, the total carried in the appropriation bill for the Navy Department, for the retirement pay of enlisted men and officers was approximately \$22,000,000. The amount necessary now to pay the retirement pay of officers and men is approximately \$36,000,000, which means that in the period of 6 years that item has increased \$14,000,000.

Please do not understand that I am suggesting that the features of retirement pay should be eliminated. I am not. Please do not understand that I am suggesting that it is not perhaps beneficial and may be necessary, but I feel, as chairman of the subcommittee, and as such, having to bring before this Congress a tremendously large appropriation bill, undertaking to carry out your mandate, that it is my duty to call attention to things which as the years pass will roll up a tremendous expenditure in this country. I do not know what the remedy is and I am not suggesting a remedy here. I am taking this opportunity to call it to your attention and to the attention of the chairman of the Naval Affairs Committee.

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. UMSTEAD. Not at this point. When I have concluded my statement I shall be glad to yield. One other thing. When a man goes to Annapolis he goes there between the ages of 16 and 20. He necessarily has had no opportunity to have any business experience. He passes from the academy, if he stays there and graduates, on into the naval

service. He passes through the various grades, and some day a certain number of those bright young men who went there as midshipmen, through perseverance and ability, will have come to be bureau chiefs, commandants of navy yards, or find themselves in charge of torpedo factories or of gun factories and other agencies of the Navy, where there is required the expenditure of large sums of money.

Yet, in all fairness to those men it should be said that they have never had an opportunity to know the necessity of meeting a pay roll; they have never had the opportunity to engage in a business enterprise. They have had, necessarily, only that amount of business experience that comes through the normal channels of the naval service. I expect, if you consider that, we would have to come to the conclusion that the officers of the Navy do pretty well in handling the business of that establishment. I asked The Assistant Secretary of the Navy, Mr. Edison, if, in view of his business experience, he would make a statement to our committee as to his opinion of the efficiency and economic practices carried on in the Navy Department by its officer personnel.

I was pleased, and I expressed some surprise, to hear him say that during the 9 months he had been connected with the Navy he, too, had been impressed and surprised with the efficiency of its organization, but regardless of all that, I am calling attention to this fact, that somewhere, somehow in our defense establishments it is my deliberate judgment that there ought to be real experienced businessmen who at least can give their experience and ability to the services engaged in national defense, spending large sums of money for that purpose. This is another instance without a remedy. I have none to suggest. I raise the question, however, thoughtfully and seriously, and whether you agree with me or not I think there are plenty of places where a real businessman could save the United States Government hundreds and hundreds and hundreds of thousands of dollars, and I do not mean to confine that statement to the branches of national defense.

I think it is largely true of all departments of our Government. In addition to this the Appropriations Committee is practically helpless to find and locate the places where we could save money such as could be found if we only had the courage to spend a few hundred thousand dollars to procure men with special qualifications and give them the job to do for the Appropriations Committee. We could, in my judgment, save not only in this bill, but also in bills applying to all other Government departments. Understand that I am not singling out the Navy Department. I think it is true as to all of them, and I think that we ought to do something to enable your trustees sitting on subcommittees of the Committee on Appropriations to be able to get some facts other than by fishing excursions and cross-examination with practically nothing on which to base our cross-examination. [Applause.]

Before concluding my remarks, I desire to express my thanks to the members of the subcommittee and also the clerk to the subcommittee, Mr. Pugh. [Applause.] I cannot remember just what I said about him last year. If I could remember it and could think of anything better I would say it; but nothing I could say would be too much praise and too much appreciation for his tireless energy, for his wide and far-reaching information with reference to the task that he has in hand, and for his unfailing loyalty and help to me.

I now desire to try to answer any question you may care to ask.

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. UMSTEAD. I yield.

Mr. JOHNSON of Oklahoma. I am very much impressed with the gentleman's entire statement, and especially impressed with the suggestion he made that retirement pay has mounted from \$22,000,000 in 1933 to approximately \$36,000,000 at this time.

Mr. UMSTEAD. I yielded to the gentleman for a question. I do not wish to cut him off, but I shall be glad to yield him

time for a speech in his own right in general debate. I have not much time left.

Mr. JOHNSON of Oklahoma. I am not making a speech, I want to ask a question about this retirement pay. Does not the gentleman think it would be a wise thing if Congress, instead of retiring those who served in the Navy at the age of 38, in many instances, changed the law and did not permit men to retire under 30 years' service in the Navy?

Mr. UMSTEAD. That involves a legislative question, I may say to the gentleman from Oklahoma. However, it is well worth considering. No doubt it has some merit. I am in no position, of course, to discuss it in detail at this moment.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. UMSTEAD. I yield.

Mr. COCHRAN. In view of the fact that the amount necessary for retired pay of the officers and enlisted men of the Navy and Marine Corps has increased so much, \$12,000,000, from 1933 to 1938, and the Army increased \$5,000,000, and the complete retired pay of the officers and men in the Army, Navy, Marine Corps, and Coast Guard for last year was \$66,000,000, it is clearly evident that eventually it is going to be around \$80,000,000. We provide that the civil-service employees of the United States Government must contribute monthly toward their retirement fund. We require citizens of this country to contribute monthly toward their unemployment fund under the social-security law. Therefore, is it not reasonable that some consideration should be given to the question of whether it would not be advisable to require that the officers and enlisted men of the Army, Navy, Marine Corps, and Coast Guard should likewise contribute something toward a retirement fund?

Mr. UMSTEAD. I think that matter is worthy of consideration. I suggest that the gentleman take it up with the chairman of the legislative committee having jurisdiction.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. UMSTEAD. I yield.

Mr. MARTIN of Colorado. Does the gentleman know what part of the increase in the naval retirement pay is due to the enforced retirement of comparatively young and efficient naval officers through the operation of the selection board, men whose careers are destroyed by that process?

Mr. UMSTEAD. I cannot give the gentleman the figure and I do not believe any man can give the gentleman a definite answer to his question; because, to know the answer it would be necessary to know what would have happened if the selection system had not come into existence, and I do not believe anybody can answer that.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. UMSTEAD. I yield.

Mr. VINSON of Georgia. Replying to the inquiry of the gentleman from Colorado, I may say that the compensation carried in this bill as retired pay of officers is only about \$9,000,000, and about \$13,000,000 for enlisted personnel who, after 16 and 20 years' service go into what is known as the Fleet Naval Reserve.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. UMSTEAD. I yield.

Mr. BOILEAU. As I understand the provisions of the law, new construction is limited to replacements and construction authorized by the Vinson-Trammell Act. Am I correct?

Mr. UMSTEAD. The gentleman is correct.

Mr. BOILEAU. The pending bill carries appropriations for the construction of two additional battleships, and other construction. Can the gentleman state whether or not at the present moment it would be possible to build under the present law either as replacements or under the Vinson-Trammell Act additional battleships to the two provided in this bill?

Mr. UMSTEAD. We have authority under the Vinson-Trammell Act to build four battleships, two in addition to those carried in this bill.



Mr. BOILEAU. So, I believe it is fair to assume, under present circumstances and the problems now confronting us, that the committee being advised by the administration and by the Navy Department, it is the committee's deliberate judgment that no additional battleships over the two authorized herein should be constructed during the coming fiscal year?

Mr. UMSTEAD. No; the gentleman is in error in coming to that conclusion or in drawing that assumption. In these estimates we were not confronted with a request for more than two battleships.

Mr. BOILEAU. As I understand it, so long as you are authorized under existing law to build or appropriate for such battleships as might be needed, I assume it is the duty of the subcommittee and the Committee on Appropriations to be properly advised by the Navy Department and all persons interested. It is then your responsibility to report back to this House your deliberate judgment, regardless of the recommendations of the Budget or anybody else, as to what your committee believes is necessary for the welfare of our Navy and our national defense.

Mr. UMSTEAD. The answer to the gentleman's question is simply this: The Subcommittee on Appropriations considered but two battleships and we provided for those two battleships which were requested in the estimates approved by the Navy Department, approved by the administration, and approved by the Budget. We did not question at all the necessity for any additional battleships, and I am not in a position to discuss that with the gentleman at this time.

Mr. BOILEAU. Mr. Chairman, the gentleman from North Carolina [Mr. UMSTEAD] has spoken for an hour. I ask unanimous consent that he may be permitted to speak for such time in addition to the one hour as he may desire.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. UMSTEAD. Mr. Chairman, I will then yield myself 10 additional minutes.

Mr. BOILEAU. That is the point I was trying to bring out, because in the gentleman's early observations he said that he considered it to be the duty of his committee to carry out the policy of the Congress and the policy of the administration. I wanted to get what the gentleman had in mind.

Mr. UMSTEAD. I am not yielding to the gentleman for a speech, but I will yield him later such time as he needs to discuss all these matters.

Congress passes a law establishing a Navy of certain proportions. Then under such act passed by the Congress, the administration in power determines its naval policy. Then under that policy it submits estimates to your committee and we consider those estimates. That is what appears in this bill. If the gentleman will notice the report, we considered estimates for two battleships and only two battleships. The question as to what any one of our committee would do if he were confronted with an estimate for two additional battleships is a matter I do not now desire to discuss and I am not in any position to discuss with the gentleman from Wisconsin.

Mr. MAY. Will the gentleman yield?

Mr. UMSTEAD. I yield to the gentleman from Kentucky.

Mr. MAY. In the hearings before the House Military Affairs Committee we find that the advancement in inventions and new devices is so great that even planes have become obsolete by the time they have been completed. The gentleman has stated that the committee has refused to allow repairs for these vast battleships in an amount of more than \$400,000 until a year after completion.

Mr. UMSTEAD. The gentleman misunderstood me.

Mr. MAY. I thought I had, because I would not think there would be any deterioration or necessity for repairs on one of those things for many years.

Mr. UMSTEAD. I think the gentleman misunderstood my proposition. It was not a question of repairs at all.

A battleship, cruiser, destroyer, submarine, or aircraft carrier is completed and commissioned. That is to say, it is put

into service, men are put aboard the vessel, and it then takes its place in the fleet. After it has been tried, it may develop they want to put some additional improvements on it or they want to make a structural change in the ship. The Navy Department has been taking the position it could do that for 27 months afterward and charge it to the fund provided for the building cost. We take the position that however necessary and desirable they may be, that cost should not be charged to the building fund, but ought to be charged to the maintenance fund.

Mr. MAY. I think the gentleman is right about that.

Mr. IZAC. Will the gentleman yield?

Mr. UMSTEAD. I yield to the gentleman from California.

Mr. IZAC. Is the gentleman in position to say at the present time whether or not it would be advisable in the committee's opinion to have some of these torpedoes manufactured on the west coast where the ships for which they are designed are all in service?

Mr. UMSTEAD. I can answer the gentleman's question by referring him to the evidence before the committee and the conclusion which the Navy Department reached after an examination of various places on the west coast. The gentleman will find all of that in the hearings. I could take time to repeat some of it, but I am sure he will be able to find it in the hearings.

Mr. MASSINGALE. Will the gentleman yield?

Mr. UMSTEAD. I yield to the gentleman from Oklahoma.

Mr. MASSINGALE. I am particularly interested in trying to find out, if I can, the gentleman's opinion on why these battleships have increased in price so much during the past 2 or 3 years. Let me say this in order to show what I am getting at. Less than 2 years ago these ships were priced at something like \$50,000,000. Last year they were priced at \$60,000,000 and this year they are in excess of \$70,000,000. I would like to have the gentleman give what information he has about that situation.

Mr. UMSTEAD. I will do the best I can to answer the question. Two years ago, when request for the two battleships now under construction was first made, it was estimated by the Navy Department, as I recall, that they would cost upward of \$51,000,000 apiece.

Approximately 12 months ago we were told that the best estimate they could give us was \$60,173,000 each. We are now told that the two being constructed at this time will cost approximately \$64,278,000 and that the two requested in this bill will cost \$70,850,000 each. Of course, it is fair to say to start with that this Nation has not constructed a battleship since 1923. Naturally, even after the first plans are laid down and after the first estimates are made, such improvements as the Department may be able to figure out, which will add to the efficiency and effectiveness of that vessel, its speed, usability, and other things, will necessarily have to be added. In addition to that the gentleman knows that the Navy Department is surrounded in its ship construction by a tremendous number of laws, regulations, and statutes, such as the leave law, the sick law, the act regulating the procurement of materials and many other things which enter into the ultimate cost of material and of the finished product.

In addition to that, of course, the gentleman knows, beginning with the first of the past calendar year there was a tremendous and rapid rise in the price of all things which went into the construction of a ship of any kind.

Mr. MAGNUSON and Mr. JOHNSON of Oklahoma rose.

Mr. UMSTEAD. I yield first to the gentleman from Washington, then I will yield to the gentleman from Oklahoma.

Mr. MAGNUSON. Will the chairman of the subcommittee tell the committee whether or not the estimate of \$70,000,000 on these battleships, as given by the Navy, is based on building the ships in navy yards or on private bids?

Mr. UMSTEAD. I am unable to answer the question the gentleman has asked, because bids are not submitted by private companies until a request for bids is sent out. No private company, I take it, would spend the amount of money necessary to prepare anything approaching an ac-

curate bid on a battleship unless the company knew there was a battleship to be built on which it desired to make a bid.

I may say to the gentleman, however, the Navy now has the experience accumulated in advertising the two battleships now building, in connection with which they received three bids from private companies, I believe, and bids from two or three navy yards. Both of the ships were placed in navy yards, because, according to the Navy Department's determination, the cost was much cheaper than it would have been if the ships had been placed in private yards.

Mr. MAGNUSON. However, there is no statement on whether or not the estimate of \$70,000,000 was a combination of the experience with both types of bids, or represented bids from either source.

Mr. UMSTEAD. No. I do not know. I may say to the gentleman I take it that the figure is simply the estimate of the Navy Department.

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. UMSTEAD. I yield to the gentleman from Oklahoma for a question.

Mr. JOHNSON of Oklahoma. I desire to ask the gentleman a question similar to the one I asked him when he made his very excellent and thorough report to the full Committee on Appropriations. Did the committee give any thought to the idea of constructing a number of fast small cruisers, submarines, and destroyers, and also building up the number of airplane carriers, instead of building these two floating palaces, as I call them?

Mr. UMSTEAD. I can answer the gentleman's question only in this way. The subcommittee on appropriations for the Navy Department is not confronted with the duty of undertaking to determine how many vessels in the various categories a well-balanced navy should have. That is a function of the Navy Department. I do not know, and the gentleman does not know, with all due respect to him, how many cruisers there should be in a navy of the size to be constructed under the Vinson-Trammell Act. To answer the question would require technical and tactical knowledge, which I do not possess, and I doubt exceedingly if the gentleman does.

Mr. JOHNSON of Oklahoma. Is it not a question of whether we are preparing here for national defense, to defend our own coasts, or preparing for a war of aggression, or some other kind of a war with foreign powers? If we want to defend our own coasts, I submit to the gentlemen, we need the cruisers, the airplane carriers, and the types I have mentioned. If we want to prosecute a war in Chinese or Japanese waters, or in some other waters, then we need the big, clumsy, slow, vulnerable battleships.

Mr. UMSTEAD. Of course, the question of what constitutes the best defense for our shores is one about which there is a great deal of controversy. This is neither the time nor the place for me to enter into a discussion of that matter. [Here the gavel fell.]

Mr. PLUMLEY. Mr. Chairman, I yield 20 minutes to the gentleman from Massachusetts [Mr. BATES].

Mr. BATES. Mr. Chairman, I desire to take the opportunity this afternoon to address the House on what I consider to be a very important question that vitally concerns the economic life of the district that I have the honor to represent in this House and to answer some of the statements made in a pamphlet entitled "Fact vs. Fury," which was recently distributed to the Members of Congress and given to the press of the country by the Bata Shoe Co., Inc., a domestic importer of shoes from the much-publicized Bata Shoe Co. of Czechoslovakia; and, further, to address myself to the statements made on the floor of this House last Thursday, in defense of trade treaties, by the gentleman from Ohio [Mr. HARLAN], who attempted to justify the importation of shoes and other commodities as being in the best interest of the people of this country, even though these imports were having a serious effect on some of our large and long-established domestic industries.

I wish to discuss at this moment the question concerning the importation of shoes, because I represent a district which leads in the production of women's shoes in the United States, and particularly that type of shoe which is being affected by these Czechoslovakian imports. So that I may draw a word picture of the situation that exists in some of the communities of my district, may I say that in one large city, with a population of approximately 50,000 people, 75 percent of the industrial workers are engaged in the manufacture of shoes, and particularly women's shoes. In another fairly large city 65 percent of the industrial workers are also engaged in the manufacture of shoes of this type; and so it is in many other communities of my district and adjoining districts in which the shoe industry is the backbone of their industrial life.

We in Massachusetts are especially interested in the shoe industry, because more people are employed in this industry than in any other single industry in that State. In my district alone there are 99 shoe manufacturing concerns listed in which their chief product is women's shoes; further, over 25 percent of all the women's shoes made in this country are produced in Massachusetts, where, statistics also show, more than twice as many women's shoes are made than in any other State in the Union. I am placing particular emphasis on women's shoes at the moment, because it is the women's shoe industry that is being affected by these imports more than any other. Ninety-six percent of all the shoes which are coming into this country from Czechoslovakia are women's shoes and the particular grade of women's shoe that is made in my district.

The gentleman from Ohio in his address last Thursday placed great emphasis on the fact that imports of shoes have dropped from 1929 to the present time. This is because there was no duty in 1929, whereas in 1930 a 20-percent duty was levied, and in 1933, in view of the devastating influence these imports were then having on our women's shoe industry, the Tariff Commission increased the rate from 20 to 30 percent on sewed-sole shoes, thereby bringing about a reduction of imports, up to within the last year or so. Now, what has brought about the present condition with which we are so much concerned, and about which there has been so much in the papers of recent months? It is because Bata, the Czechoslovakian shoe manufacturer, has changed over to another type of women's shoe which comes in under the lower 20 percent tariff rate. This shoe is made by what is known as the cemented-sole process, in which the soles are cemented to the uppers instead of being sewed as they previously were. The strange part of this situation is that the sewed shoes came in under the 30-percent duty, while the cemented ones, which are now flooding our market in ever-increasing volume, come under the 20-percent duty. The manufacturing of women's shoes here also has changed, and the American manufacturers have likewise turned from the sewed to the cemented sole process. Because of the present situation the tariff duty should be substantially increased.

At this point I wish to place in the RECORD the following report published by the Bureau of Foreign and Domestic Commerce, which shows the imports of women's and misses' shoes from 1931 and including the first 11 months of 1937:

*United States imports for consumption of women's and misses' shoes*

	1931	1932	1933	1934	1935	1936
	<i>Pairs</i>	<i>Pairs</i>	<i>Pairs</i>	<i>Pairs</i>	<i>Pairs</i>	<i>Pairs</i>
From Czechoslovakia.....	2,626,112	1,077,117	1,662,665	1,870,725	1,330,401	1,608,946
Total (all countries).....	3,137,986	1,216,596	1,784,698	1,929,212	1,381,943	1,784,279

*1937 (first 11 months)*

From Czechoslovakia (96 percent of total imports).....	pairs..	2,981,052
Total (all countries).....	do ..	3,106,040

With these figures in mind, I quote the Hide and Leather Journal of October 2, 1937, which states: "25,000,000 pairs of shoes made here come directly in the path of Bata competition", and the statistics I have tabulated show that the



imports of this particular kind of women's and misses' shoes, during the first 11 months of 1937, equal approximately 12 percent of that 25,000,000 total domestic production. The table I have herewith set forth also shows that imports of this type of shoe has nearly doubled in the 11-month period of 1937, as compared with the total recorded for 1936.

If the gentleman from Ohio, or the representative of the Bata Co., who published and distributed this pamphlet, has any doubt about what effect these imports are having on the industries of this country, let me call his attention to a letter which I have at hand from the secretary of the Haverhill (Mass.) Chamber of Commerce, who stresses the fact that there were 28 factories in that city making this particular type of shoe which is being affected by the Bata imports, and of this number 17 have in recent months closed their doors completely and the other 10 are operating on very short time. You can well appreciate what a critical situation this has brought about in that community where, as I previously mentioned, 75 percent of the people are dependent upon the shoe factories for their daily bread.

I have a number of letters in my possession from manufacturers who have found that this is more than a recession through which we are now going. The story they tell, in general, is that a shoe style show was held in Boston in the month of May last year, such as all the wholesalers, jobbers, and retailers customarily attend for the purpose of placing their orders. The Bata Co. advertised a shoe which was proposed to retail at a price less than \$2. This was the same shoe that was being made in Czechoslovakia, shipped over to this country, duty and freight paid, and sold here to the wholesaler at \$1.17½ a pair. This same kind of shoe cost the American manufacturer \$1.30 to produce, allowing no profit for himself.

One letter, written to me last June, states:

We employ nearly 300 persons in our factory, and it would be a catastrophe if we had to close down at the end of 4 weeks. This will be necessary unless immediate action can be taken on the Bata situation.

That concern was one of those that did close down.

A shoe workers' union, in appealing to me to try to have the influx of Czechoslovakian shoes halted, wrote thus:

Past experience has taught us that any reduction of tariff would be ruinous to both the shoe manufacturer and the shoe worker. The mere mention of such a reduction (as contemplated in the pending Czechoslovakian trade agreement) sends a shudder of apprehension through the shoe workers, who are struggling to keep off the public relief rolls; and, of course, with a true American spirit, the shoe workers arise to the occasion to protest vigorously against any and all matters that would interfere with their liberty and the American standard of living.

Many, many more similar letters, from both manufacturers and workers, have been received by me, all praying that they be given the protection they deserve.

I am herewith submitting tables in respect to the Bata shoe, which is being sold on the American market at \$1.17½ a pair, and showing details covering the cost of the same grade of shoe made by the American manufacturer:

Detailed cost of Bata shoe	
Dutiable value	\$0.7935
20-percent duty, assessed on the dutiable value	.1587
Transportation and insurance	.0347
General expense, 8 percent of United States selling price of \$1.17½	.0940
Allowed profit, 8 percent of United States selling price of \$1.17½	.0940
United States selling price	1.1750
Detailed cost of same grade of American shoe	
Materials	\$0.743
Direct labor	.300
Nonproductive labor	.045
Federal pay-roll tax	.011
Royalty	.025
Dies, lasts, and patterns	.010
Factory variable expense	.036
Fixed factory expense	.040
Additional cost for folded quarter, leather insole, and sheep quarter lining not originally included	.090
Purely factory cost of domestic shoes	1.300
With no transportation, selling expense, office expense, taxes, or profits.	

You will note from these tables that the pure factory cost of the American shoe is \$1.30, with no charges for transportation, selling expense, office expense, taxes, or profit. With these expenses added, the calculated price of selling this American shoe would be \$1.55, which is 37½ cents more per pair, or 31.9 percent more than the United States selling price of Bata's Czechoslovakian shoes. Mind you, these are the wholesale or jobbing prices and not retail prices.

This information was presented to the Committee for Reciprocity Information at the recent hearing here on the pending trade agreement with Czechoslovakia and clearly shows that the American manufacturer is at a great disadvantage in meeting this kind of competition from abroad. The Czechoslovakian shoe price is used by the wholesalers and jobbers as the basis for depressing the prices on domestic-made shoes; or, in other words, the wholesaler states very plainly that because he is able to get a shoe that he may buy at \$1.17½ a pair, the American manufacturer must come down, at least to near that level, in order to get him interested at all in the American product. This is impossible, in view of the tables that I have here presented. The Honorable Henry F. Grady, who is Vice Chairman of the Tariff Commission and Chairman of the Committee for Reciprocity Information, was particularly interested in this phase of the question, as shown in his statement at the recent hearing: "It is the question of the incidence of these imports on price structure that we like to hear about"—and on that point is based the complaint of all the American shoe manufacturers who make this grade of shoe and who spoke before the Committee on Reciprocity at that hearing some weeks ago.

The gentleman from Ohio again avers that it is those industries with the highest wages that have the least protection from tariff duties. These, I presume, are the great, heavy American industries, with which manufacturers in no other country can compete. Patent rights have to be taken into consideration, and tonnage is an important item in transportation cost and in a large way accounts for the inability of foreign manufacturers to compete with this line of American products.

On the other hand, he states that it is the low-paid industries that have the greatest tariff protection. The dominant factor in the determination of wage levels in any industry, to my mind, is the character of the competition that exists among the domestic manufacturers. The more competition there is, naturally, the greater is the effort to reduce cost and, invariably, labor is, unfortunately, the one that suffers most in that reduction. The average wage paid to American shoe workers in 1936 was about \$19 a week. Surely, no one would say that that was an excessive wage. Then, there is this to consider. The shoe workers in my district who are fortunate enough to be getting any kind of employment under existing circumstances have recently taken a 10-percent slash in wages so that they can be assured of at least part-time work. Not only that, but these workers, and those most recently added to the ranks of the unemployed, must contend with the 29-percent increase in living costs that has developed in the past 5 years.

The consumer is fully protected because in this country there are altogether 955 factories making shoes of all kinds. There is no industry in the country that is more competitive than the shoe industry, so that in this respect the consumer enjoys the benefit of this local competition. I have no sympathy with the establishment of a high-tariff schedule for the purpose of protecting monopolies, however, and neither do I believe that the floodgates of Europe or Asia should be opened to permit their products, made with cheap labor, to come into this country in competition with our industries and our working men and women who are trying to make a living here. This Bata Co. with which we are concerned is the largest shoe manufacturing firm in the world, with factories in 10 different countries and with over 3,000 stores to which he can send his products. The cost of Bata's labor is but one-third to one-half of what it is in this country. The Bata organization operates along the lines of the automobile interests—the automatic conveyor system. It is estimated that when working to capacity,

Bata's plants are capable of producing 250,000 pairs of shoes a day, and it was stated by Mr. Johnson, of the Endicott-Johnson Co., before the Committee for Reciprocity Information, that all of the Bata factories combined are capable of producing upward of 350,000 pairs of footwear per day. That is the kind of organization Bata, and those in sympathy with him, want to "let loose" on our struggling shoe industry.

It must be kept in mind, in discussing this shoe question, that, under a trade agreement, once Bata gets a foothold in this country, and that agreement runs over any considerable period of time, Bata will ruin the men's as well as the women's shoe industry of the United States.

It must also be kept in mind that whatever concessions are made to Czechoslovakia, under the most-favored-nation clause, automatically these concessions become effective with all other countries with which the United States has entered into trade agreements.

Bata is encountering opposition all over the world where he is promoting the sales of his shoes. In England, for instance, the menace of the Bata operations is recognized by the labor leaders, and Bata has met with considerable resistance, not only from other manufacturers in the United Kingdom, but from workers and retailers, as well.

Swiss shoe manufacturers have also resented the entry of Bata into active production in their country, according to the United States Department of Commerce report, and have made concerted effort to combat this competition. They have boycotted those retail stores which sell Bata products, and a list of all local firms handling Bata shoes is published in a trade paper in Switzerland. Bata has sought to overcome this antagonism, but with little success, and the firms handling Bata products still have difficulty in obtaining other locally made shoes. On October 14, 1933, the Swiss shoe manufacturers were successful in having the Federal Council issue a decree which prohibited the establishment of new shoe factories or the extension of those already existing, without special permission from the Government. On December 30, 1935, this decree was extended for 2 years. This measure was passed after several years of intensive effort on the part of local manufacturers, and while the stated purpose was to control the volume of production of individual factories and to limit the output to quotas allotted by the manufacturers' association, the trade felt that this would curtail the local activities of their Czechoslovak competitor. The unfavorable publicity resulting from these conditions has no doubt slowed up the sales of Bata shoes in Switzerland to some extent. Moreover, many stores which might ordinarily have handled Bata footwear have hesitated to do so, fearing that they would ultimately lose the good will either of other manufacturers or of consumers.

France has experienced perhaps the greatest difficulty with the Bata organization, and it is pertinent here to quote the Honorable Earl C. Taylor, assistant French trade commissioner, in Paris on May 6, 1936. This is what Commissioner Taylor reported:

The commission appointed to examine the requests for licenses to open stores, factories, and workshops in France met recently at the Ministry of Commerce under the presidency of Mr. Lecuyer, representing the Minister of Commerce, and decided to close down 199 Bata shoe stores in France opened between January 1 and March 22, 1936. It was also decided to close down 100 shoe lines in grocery stores. Following this decision, in several towns in eastern and western France, Bata shoe stores have already been closed.

It is clear from this report that Bata must have been a great menace to the shoe industry and the workers of France, when the Minister of Commerce, representing the French Nation, gave orders to close 200 Bata shoe stores and 100 shoe lines that he was carrying "in grocery stores."

We are in the midst of a great industrial depression in which it has been estimated recently ten to twelve million people are unemployed in the United States. There is no part of this country that is suffering more from a depressed condition than the State that I represent in Congress. According to the last report that is available, there are a quarter

of a million less people employed in the industries of Massachusetts than were employed 15 years before; and, according to the reports recently issued by the Unemployment Census Director, Mr. Biggers, over 300,000 people who are able to work are now unemployed in Massachusetts. The relief costs in the 39 cities of Massachusetts in 1920 were \$1,600,000, which kept constantly increasing until they had totaled \$27,249,764 in 1933, and in 1936 the high peak was reached when the combined expenditures by local and Federal relief agencies in these communities made a grand total of over \$80,000,000. We are very much alarmed about the present situation.

In recent days not only have I received complaints from the shoe manufacturers and workers, but also from the textile industry and the fiberboard industry because of the rapidly increasing imports affecting them from foreign countries, particularly Japan. I represent also the largest manufacturer of women's hat bodies in the United States. This concern is also greatly troubled over the importation of hat bodies, as they are presently coming in here primarily from Japan. Let me say that this is a field into which the Japanese manufacturers did not enter until 1934, starting on a modest scale and exporting in that year but 13,892 hats to this country. The extent to which they have developed in this field and have invaded our domestic market is shown by the table I herewith submit on imports of wool-felt hat bodies from Japan:

Year:	Number
1934.....	13,892
1935.....	2,703,514
1936.....	6,528,212
1937 (estimated).....	8,500,000

Japan has already displaced Italy as the leader in the markets of the United States for foreign hat bodies, and nearly 40 percent of the hats consumed in this country come from foreign shores. If imports from Japan in this respect continue at the present rate, with Japanese efficiency developed toward a better grade of products as it goes along, it is not hard to foresee what is going to happen to the hat industry of these United States if something is not done to stop them. This industry represents 65 percent of the entire pay roll of Amesbury, Mass., a large town in my district. That firm is now operating on short time, with very much reduced pay rolls, and its owners are greatly concerned about what the future holds for their industry, which is so vital to the welfare of the community in which it is located.

I mention the wool felt hat industry not because of any connection it has with the proposed agreement with Czechoslovakia but simply to show that insufficient protection is being given that industry under the present tariff schedule. Certainly, with these hat bodies flooding our markets in that fashion from Japan, in which country women workers, for example, receive not more than 20 cents per day, it is time for the Tariff Commission to bestir itself so that we may save this very important industry from being driven out of existence. I plan to take such steps as may be necessary in the hope that the Tariff Commission will act on this problem at an early date.

Time does not permit me at present to go into other subjects, such as the great volume of cotton goods from Japan which has increased from less than a million yards in 1932 to over 100,000,000 yards in 1937. I am interested in all of these industries because they are the main source of employment for the people in the State from which I come, and to that end, as their Representative, I feel that the Government of the United States should give them the protection they need and have a right to expect in this distressing hour. [Applause.]

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BATES. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. May I say that fur hats are on the agenda for the proposed trade agreement with



Czechoslovakia, and they can come in from Czechoslovakia at the present time.

Mr. BATES. The fur hats are on the agenda, but I am referring to wool-felt hats.

Mrs. ROGERS of Massachusetts. The others have come in.

Mr. BATES. Yes.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. BATES. I yield to the gentleman from Massachusetts.

Mr. CONNERY. May I congratulate my colleague the gentleman from Massachusetts on his fine speech. I may state I am wholeheartedly in agreement with the gentleman. He has been one of the leaders in this fight for a great many years, even prior to the time of his coming to Congress, when as mayor of the city of Salem he led the fight for the shoe industry.

I believe the present tariff on women's shoes is entirely too low. My own home city of Lynn, Mass., has suffered a great deal because of the influx of Czechoslovakian shoes. The tanneries of Peabody, Mass., manufacturing leather, have also suffered. I hope the gentleman will see that everything possible is done toward having the reciprocal trade agreements take care of this condition.

Mr. BATES. That is right. That is one of the reasons for the present conditions in Peabody, too.

[Here the gavel fell.]

Mr. BATES. Mr. Chairman, I ask unanimous consent to revise and extend my own remarks in the RECORD and include therein the tables I have prepared.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. FERNANDEZ. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. LANHAM].

Mr. LANHAM. Mr. Chairman, the many problems which confront our country today necessarily give serious concern to every patriotic American. What these problems are is generally known. The question of how they shall be solved has elicited many divergent answers. Under critical scrutiny and analysis some of these answers appear to have been inspired by purely geographical or sectional conditions and considerations, some by the conflicting pronouncements of various American organizations, some by propaganda distinctly un-American, some by views of serious students of government and history who avow no purpose of selfish, personal, or group advantage.

Out of all this contrariety of opinion it devolves upon us as representatives of the people to find the true solutions, the ones of universal application which, without special privilege to any, will make for the welfare of all our people and the adherence to principles and policies upon which a democracy may successfully endure.

To me one thing is very clear: These solutions must be found at home, not abroad, and upon the basis of American ideals and American institutions. To the satisfactory performance of this task the heart as well as the head must be directed, and success will require the unselfish and sympathetic understanding and cooperation of citizens in every walk of life.

It is not my purpose today to speak of these problems specifically—they will come before us in that way as the bills which present them are considered in this Chamber—but rather to talk briefly of a method of approach which may the better enable us and the people to deal with them acceptably.

Before doing so, perhaps I may be pardoned for observing that many perplexing questions which appear to apply only to particular parts of our country and to be more or less local in character may have much of their solution in the proper remedy for a disturbing condition common to every section of our land, the acknowledged recession in business. For example, cotton presents a problem to the people of the South. It is the money crop of southern farmers, but bumper yields and diminishing markets have greatly depressed the price of the staple, and this section has suffered in consequence. With reference to other commodities, agriculture has suffered in a similar way in various parts of our Nation.

Illustrating the idea in mind with cotton, with which product I am naturally more familiar, it is clear that, in addition to increasing in every practical way the foreign demand for it, we must stimulate domestic consumption and discover new uses to meet this need. But the mere finding of such new uses is not the complete answer. The people of all the States must be able to become purchasers of the commodity in the various articles to which it may be devoted. And how may they become such purchasers?

In restoring prosperity is not that question one of vital concern to each of us, whether our respective districts are interested in producing raw materials or manufactured goods? I have alluded to cotton merely by way of example.

Evidently these apparently sectional economic troubles are in fact national and can be corrected only by general and national recovery.

It seems elementary that the ability of people to purchase depends necessarily upon their employment in every field of American endeavor. In this way only may their buying power be assured. Now, what is the natural and normal source of employment? The answer is plain: Business, both large and small. And in every district business is here represented. We may not have cotton or corn or wheat or oil in the realms of our respective constituencies, but we do have business of some kind. In its ramifications it is necessarily our mutual source of economic helpfulness.

The Government cannot afford to employ vast numbers of people indefinitely. We all realize that such a course would dry up the streams of revenue necessary for their compensation. Business is the principal source of national revenue, and I think it true that in the aggregate small business furnishes more of it than so-called big business, and also gives employment to more of our people. In the common problem, therefore, of properly fostering and developing and expanding every sort of legitimate private business which affords employment must be found the way to economic recovery.

Recent utterances of the President have accentuated this fact. The way to a normal condition is through normal operation. If evils exist, let us correct them, but in doing so let us see to it also that the natural channels of employment are not impeded. Therein may be found the basis both of individual and national welfare and prosperity.

In my judgment, ours is the opportunity to encourage and stimulate legitimate business. The administration has pledged itself to that laudable undertaking. We are assured that relatively early in this session legislative attention will be directed to such modification of our tax laws that small business in particular, which has suffered most from its inability to expand and give employment under present undistributed-profits provisions, will have appropriate relief from certain burdensome requirements now imposed. I am neither a prophet nor the seventh son of a seventh son, but when this bill was presented originally I thought I could foresee that it would bring about the very situation which has arisen, and, accordingly, voted against it. It has worked great hardship on small business especially, and thereby prevented expansion and decreased employment. Private investment of idle capital cannot be reasonably expected without some assurance of an opportunity for legitimate profit and the certainty of continued operation on such a basis. Wages can be paid only by people able to pay them; and in the purchasing power such wages supply both agriculture and commerce may find a helpful remedy.

But I stated in the beginning of these remarks my purpose to discuss what I conceive to be a promising approach to the settlement of our difficulties. In these days when we as legislators are confronted with unemployment, business recession, and kindred problems it may be helpful to pause and reflect upon certain fundamental and enduring principles and facts which have been established by the experience and wisdom and approval of the ages for the guidance of men and nations. They have found expression in various religious creeds and in the worthy philosophy of the world's wisest men. Perhaps we have been taking a vacation from these immutable principles which the fathers, ecclesiastical and

governmental, have given us and now have need to get home to them and their steady and satisfying influence. Perhaps in this way only may we attain that permanent peace and contentment promised by the rightful solution of these problems.

We have long had a very proper impulse to pay tribute to the pioneers who laid the foundation for the great possibilities of our modern civilization. They were men and women of sterling worth and traits. Their problems served as the gymnasium in which to develop their self-reliance and individual strength, and in their mutual tasks they exemplified most strikingly the true neighborly spirit. They appreciated the value of the principles the centuries had taught. They felt their responsibility and that theirs was the duty of solving their problems. They did not delegate them to others. And out of their efforts came growth and development and progress and happiness in the various fields of human endeavor.

I fear we delight more to talk of them than to emulate their examples. We have expended large sums of the people's money in seeking to preserve properly the memory of Washington and Jefferson and Lincoln and other heroes and celebrities who have made our history glorious. And sometimes, as I contemplate the monuments of many kinds with which we have sought to do them just honor, I wonder if we, their followers, should be classified merely as their passive admirers or as their worthy successors. Are we observing those same age-old, immutable principles and policies which made them and their country great?

In this body we serve as representatives of the American people. They have very few direct representatives. Of the approximately 1,000,000 persons now in the employ of the Federal Government in different lines of endeavor, less than 550 are selected by the people themselves. But upon this small group rests the legislative burden, and the manner in which it is understood and met and disposed of determines the welfare of 120,000,000 Americans. Seek elsewhere as we may for much of the error and unrest which prevails in our land, we shall likely find the prime cause and the principal responsibility coming home like roosting chickens to us who make the laws. We determine the system under which the country must operate, and it is a responsibility we cannot shirk or delegate. Perhaps it is time to pause and think in a new way of those pioneers and the principles they preached and practiced, and to realize that the antiques of their stalwart characters and sterling traits are of far greater value than the odd and old pieces of furniture which adorned their homes.

Long ago the Almighty decreed certain unalterable principles to be applied to life and its problems which will endure without modification through time and eternity. Styles and circumstances and conditions change, but these immutable precepts apply with unvarying force to all styles and all circumstances and all conditions. Present conditions are not due to the failure of these eternal principles but, rather, to the failure of us all properly to observe and apply them. It may be that one can violate the laws of man and, in the parlance of the street, get by with it, but one may take no such liberty with the laws of God prescribed for the government of men and nations.

Let us look at our land today and get a picture of the situation in the light of ancient and accepted teachings. It is not a pretty picture. Instead of brotherly love and mutual endeavor and consideration for fellowmen, what do we find? There are many evidences of hatred, of discord, of factions, of selfishness, of greed, of envy, of bickering, even of sectional strife—neighbor arrayed against neighbor, friend against friend, brother against brother. If that can make for progress or happiness, and I say it reverently, then Jehovah was wrong in His precepts. The only way to obviate these evils is to get back to living in the spirit of time-honored religious and governmental truths which practically all Americans profess to believe. And perhaps we should be the first to set the example.

The kind of government any country has is very largely a reflection of the kind of people it has and the motives which actuate them. William Penn once observed that—

Governments, like clocks, go from the motion men give them; and as governments are made and moved by men, so by them are they ruined, too. Therefore, governments depend upon men rather than men upon governments.

Have we been inculcating that principle? Have we been spreading the wholesome doctrine of self-reliance? In my judgment, when American self-reliance becomes a memory the American Republic will become a memory also.

Today we are threatened with many spurious isms from abroad which seek to do violence to our fundamental principles and to destroy the liberty they bring. Let us not be deceived. The early explorers of America, impelled by greed, held before the eyes of the untutored Indians a few worthless and glittering trinkets which they offered in exchange for the fertile fields of the redskins. Ignorant of the value of what they had and the lack of value of what was proffered, these aborigines traded to their sorrow. Let us not emulate their example. Let us not sacrifice the heritage of the ages in the building of men and nations to the whims of foreign malcontents who today, unfortunately, have representatives in abundance within our own borders. Let us cleave, rather, to those enduring principles the Almighty has given. Perhaps we may well give heed to the suggestion of the Earl of Beaconsfield to be "conservatives to preserve all that is good, and radicals to remove all that is bad."

In these crucial times this double duty is a strenuous one. It calls for soldiers of peace as brave as those who suffered at Valley Forge or battled at Yorktown, soldiers who believe in the things which have made this the world's greatest democracy. But these very difficulties accentuate the opportunity to be worthy successors of the pioneers we honor. No man, no woman, no people ever became strong and great whose resolution was not challenged by obstacles. The pioneers met them and overcame them. Let us do likewise and prove ourselves worthy of the glorious heritage they have left us. [Applause.]

Mr. PLUMLEY. Mr. Chairman, I yield 30 minutes to the gentleman from Michigan [Mr. HOFFMAN].

THE PERSECUTION OF INDUSTRY BY THE ADMINISTRATION, THE N. L. R. B., SENATE CIVIL LIBERTIES COMMITTEE, AND THE C. I. O.—UNJUST ATTACKS ON FORD

Mr. HOFFMAN. Mr. Chairman, on the 11th of January, on the floor of the House, the gentleman from Washington [Mr. COFFEE], referring to Mr. Ford, said—RECORD, p. 333:

But he appears to have little fondness for that earliest of American treasures—the belief that all men are equal before the law.

The gentleman later continued—RECORD, p. 333:

In the brief time at my disposal I can only summarize the story of Mr. Ford's lawbreaking career.

Holding no brief for Henry Ford, nor for the Ford Motor Co., it is, however, my privilege to call the gentleman's attention—and he has been notified of my purpose—and the attention of the House to the unfairness as well as to the absurdity of these two statements.

Let me repeat the gentleman's statement. He said:

In the brief time at my disposal I can only summarize the story of Mr. Ford's lawbreaking career.

Is Henry Ford public enemy No. 1? Is he a gangster? Is he a man who has robbed a series of banks, despoiled the widows and the orphans? What single instance can the gentleman cite that Henry Ford ever personally violated any law—Federal, State, or city ordinance? Yet here on this floor he is charged as having a "lawbreaking career."

EDSEL FORD ASKED TO THE WHITE HOUSE

Undoubtedly the gentleman had reference to Henry Ford as the responsible head of the Ford Motor Co. rather than Henry Ford as an individual. But, even if this be true, it should be remembered that the legal head of the Ford Motor Co., its president, Edsel Ford, this week by invitation at the White House meets the President.



As Edsel and his father undoubtedly stand together, if the gentleman be correct in his characterization, he should warn the President before Friday that he has invited to the Executive Mansion the close associate of a man with a "lawbreaking career."

#### HENRY FORD AS A MAN

The achievements of Henry Ford in the industrial world are known to all. His modest manner of living is matter of common knowledge. For him no palatial yachts sailing the high seas; no cruises to southern waters, either at his own or Government expense, to engage in sport or to escape the chilling blasts of the Michigan winters.

For him no cellars filled with rare wines; no entertainment staged by beauteous maidens; no social functions graced by knee pants or gowns that can be held in the hollow of one's hand; no parties on New Year's Eve or at other times to which come the 400, the Nation's 60 families, or any of those others who consider themselves above the common herd.

#### FORD ROBBED NO ONE

Henry Ford robbed no one in accumulating his great wealth. He took from no man anything which that man had before.

He was the first to establish a minimum wage of \$5 per day and the argument that he treats labor unfairly would seem to be indisputably refuted by the list of men waiting to be employed at Ford's.

The life of Henry Ford has been an open book. Because of his coming, of his genius, his executive ability, his industry, and his thrift—and thrift is care and wisdom in the use of one's resources—you and I and many of those who snap and snarl at his heels are riding in automobiles, instead of upon bicycles or walking in the dust of the street.

Because of the cheap automobile of which he is the father, we have highways stretching from coast to coast and from northern border to southern Gulf. Because of Henry Ford, the toil of many a farmer has been lightened and hundreds of thousands of workers and their wives and children enjoy recreation at river, lake, seaside, or in the mountains, which otherwise would be beyond their reach.

It is doubtful if, in all the world, there lives a man of so wide activities, of such great wealth, who is so modest, so unassuming, so law-abiding, with so little of egotism, with so much of kindness.

And yet, having passed the three-score-and-ten mark, he is the target of a multitude of those who have, in comparison, accomplished nothing; who are so unfair, so lacking in charity, so vindictive, that they will not even visit the home plant at Dearborn and learn for themselves before giving utterance to their slanderous abuse.

#### FORD'S PLACE IN HISTORY

When history is written, the encyclopedias of the future are published and the names of his traducers have been forgotten, and the records of the N. L. R. B.'s and of the S. C. L. C.'s libelous statements have crumbled to dust and scattered by the winds of heaven, the name of Henry Ford will still be known.

When the name of that one who today poses as the great benefactor of the common man has been dimmed—yes, almost lost—in the mists of time and he is known to history as the President of many moods, of many poses, of many promises, and the appalling record of his inconsistencies has been written, the name of Ford will stand forth, clear, distinct, and undimmed, upon one of the monuments which mark the progress of man from the beginning of time to eternity's end.

The gentleman from Washington, continuing his remarks, said—RECORD, p. 334:

But in spite of his bravado and his brilliant legal strategists, Mr. Ford was afraid to trust his case to an American court of law.

On the 9th day of the 10-day period for compliance the Ford Motor Co. took its case to the newspapers in an attempt to avoid court action.

Let me pause here and gently with kindly words, but nevertheless accurately and nonetheless emphatically, call the

gentleman's attention to the fact that his statement is entirely erroneous; that it does not state the fact.

#### FORD'S FIGHT THROUGH THE COURTS

As the gentleman said, Mr. Ford announced that he would take his case into court. He did take his case into court, and his case is now pending in the court. There is, therefore, no ground for the charge that he is afraid to trust his case to an American court of law, or that he is engaged in an attempt to avoid court action.

#### FORD'S APPEAL TO THE PEOPLE

In addition to the court action—and apparently this is the thing of which the gentleman complains—Ford did issue a statement through the newspapers to the public, and the substance of that statement was that he would let his record and his actions, as known to the public, speak in his defense.

#### THEIR VERDICT

And let me predict that, whatever may be the verdict of any court or any courts, in the end, when the people of this country judge Henry Ford, they will find, and by their verdict they will declare, that his record as a patriotic citizen, as a man, as one who has contributed to the welfare of his fellow men, is second to that of no man of this or any other generation.

One of the things which the Members of this House should not forget is the fact that, while the National Labor Relations Board found against the Ford Motor Co., an appeal has been taken and judgment might well be withheld until the final decision.

Some of the occurrences which took place at the Dearborn plant on the 26th day of May 1937 have been before the Michigan courts. The Ford Motor Co. and several of its employees were charged with an assault upon one William Meriweather, with intent to do great bodily harm less than the crime of murder.

A hearing was had before a common pleas magistrate, where those prosecuting submitted all their evidence to the court, with the result that the Ford Motor Co. and those charged in that complaint were held for trial before a court of record in Wayne County.

Upon the case being brought on for trial, a motion to quash because of lack of evidence was made and, after a full hearing, the charge was dismissed and, on appeal to the Supreme Court of the State of Michigan, that court refused to review the decision.

#### FORD'S EMPLOYEES NOW ON TRIAL IN BAILWICK OF MAYOR AND CHIEF OF POLICE CONVICTED OF PROMOTING VICE

Not content, however, with this decision of the trial court and of the supreme court, other cases charging minor offenses growing out of this same occurrence have been brought in another jurisdiction. These later complaints have been filed in the city of Hamtramck, whose mayor and chief of police were charged, tried, convicted, and served time for conspiring to permit and allow the keeping, maintaining, and operating of houses of ill fame in the city of Hamtramck.

Notwithstanding his conviction and his service, the mayor became a candidate for reelection and he was reelected and is now mayor of the city, and it is to this jurisdiction that the prosecution of Ford and Ford workers has been taken.

#### QUESTION NOW BEFORE THE COUNTRY: CAN EMPLOYMENT ONLY BE OBTAINED THROUGH SIGNING OF C. I. O. CARD?

The question at issue now before this country is not whether Ford industry shall be unionized, but is whether those men who desire to work in Ford plants, or in other plants—yes, whether those who desire and have the opportunity to work—shall be forced to sign a C. I. O. card before they may don their working clothes.

Yes, that is the issue. Shall a working man in this land of ours be deprived of his work because he will not sign on the dotted line and pay tribute to a union sanctioned and promoted by the Federal Government?

#### SHALL EFFICIENCY OF WORKER BE DESTROYED?

Shall the employer be compelled by the Government to retain inefficient, insubordinate workers, merely because they

hold a C. I. O. card? Already experience has demonstrated that the worker who knows that he cannot be discharged because of his union affiliation slows down production and, as inefficiency in production means higher cost and loss of business, it means lower aggregate pay rolls and workers, discovering this, will place the blame where it belongs—upon the union, the inefficient worker, and the agitator.

No words, no ranting, no accusations can becloud the issue.

PRESIDENT RESPONSIBLE FOR N. L. R. B., S. C. L. C., C. I. O., LEWIS, COMMUNISTS

The President of the United States is the responsible head of the Federal Government and he cannot escape responsibility for the operation of the Wagner law, the actions of the National Labor Relations Board, the activities of the Senate Civil Liberties Committee, of Mme. Perkins, of John L. Lewis, the C. I. O., and the Communists which shelter themselves in its feathers, without admitting incompetency or an unbelievable lack of knowledge of what has been transpiring.

ADMINISTRATION JOINS HANDS WITH COMMUNISTS TO FIGHT FORD—  
DESTROY CIVIL RIGHTS

Frankenstein, lately appointed to the State welfare commission by Michigan's absentee Governor, it was who said of Ford on April 8, 1937:

Henry will either recognize the union or he won't build automobiles.

Lewis it was who, on the same day, according to the Associated Press dispatch, made the statement:

Henry Ford will change his mind or he won't build cars.

Both before and since those statements were made, the Senate Civil Liberties Committee and the N. L. R. B. have been working hand in glove with Lewis and his organization to translate these threats into action, to bring Ford to his knees, to compel him to sign on the dotted line.

What a spectacle! Your Government and mine joining hands with the Communists in control of the C. I. O., fighting to force this man, who gives employment at an average of more than \$7 a day to thousands of men, to acknowledge the rule, submit to the demands of the C. I. O., which most people realize would wreck the industry.

Civil rights? What has become of the civil right of Ford to hire men and pay wages? What has become of the civil rights of the thousands who want to work unmolested?

FORD FIGHTS THE WORKERS' BATTLE

Henry Ford is fighting today the battle of the independent worker; the battle of the employer throughout the Nation. He is making the fight for you and for me. He is beset in front by the C. I. O. and from the rear by the agencies of the Government, which should protect him.

The C. I. O. used the name of the President and of the Senate Civil Liberties Committee in its organizing campaigns. The President let this use of his name go without rebuke; hence, he stands sponsor for that organization.

The C. I. O. was conceived in an effort to destroy the American Federation of Labor, and, with the aid of the President's silence, the assistance of Governor Earle, of Pennsylvania, and Governor Murphy, of Michigan, and the Federal agencies just referred to, it was well on its way to accomplish that purpose when it overreached itself through the sit-down strikes, its violence, and its lawlessness.

WAR AT HOME IF N. L. R. B. CONTINUES ITS PERSECUTIONS

It is all well enough to talk about avoiding war in foreign lands, and all praise to the administration which can keep us out of war with foreign peoples; but what can be said of the administration which grows indignant over the sinking of a ship or two, the loss and destruction of a few million dollars' worth of property 6,000 miles from home, when here in our own States, in our own cities, in our own home towns, the armed invader walks unmolested, destroys hundreds of thousands of dollars worth of property, causes the death of more than one citizen of the State, drives workers by the hundreds of thousands from their jobs, smashes in the doors and the windows of homes, while the administration takes a vacation, goes fishing?

TREATMENT OF AMERICAN CITIZENS ABROAD AROUSES INDIGNATION—  
WORSE TREATMENT AT HOME GETS SYMPATHY OF ADMINISTRATION

Why this great indignation over what happened in China, 6,000 miles away, while in the cities of Michigan, of Ohio, of Pennsylvania, men to earn their daily bread are forced to sign a C. I. O. card?

American citizens 6,000 miles away are driven from their business places, from their homes, and great is the indignation, and justly so. And there are rumors of war and there is talk of war and preparation for war, while within our own house members of our own family are assaulted, beaten, and deprived of their rights and the Commander of the Army and Navy does nothing to protect them, nor does he call upon the Governor of the State to extend the protection guaranteed by the law of the land.

No criticism is made of the determination of the administration to demand protection for Americans in foreign lands, of the demand that respect shall be shown to the American flag; but it might be well for the President to remember that there are things other than charity which begin at home, and among these is the right of the American to be secure in his employment, his home, his liberty of action, of all of which he has been deprived by the failure of this administration to exercise the authority it possesses, by the acts of the N. L. R. B.

Whatever may have been the purpose of the Wagner Act originally, as interpreted it has been demonstrated to be productive of strife and disorder.

It is not my purpose here today to recite a list of its misdeeds, but to point, if I may, to the result which will inevitably follow its present course.

UNION DEMANDS IN CALIFORNIA

Glib-tongued, smiling, and curly-haired boys of the N. L. R. B. and members of the Senate Civil Liberties Committee themselves may learn when it is too late that the small-business man, the farmers, the workers of America are just as familiar and handy with baseball bat, pitchfork, neck yoke, corn cutter, and ax handle as are the United Mine Workers and the U. A. W. A. with pieces of lead pipe.

We all know what happened in Michigan. We know what has happened in other places in this land of ours. Let me quote from a letter from a farm organization of California, received yesterday. The unions there demand—

All turkeys sold in the San Francisco market must bear a union label.

All wool men must employ union sheep shearers; otherwise lamb and mutton will not be sold by local butchers.

Employees in the dairy products plants declared they will not handle milk unless the dairy employs union milkers.

And if the farmers use a mechanical milker, what then?

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield.

Mr. BOILEAU. I presume the mechanical milkers will probably have to be made by union labor?

Mr. HOFFMAN. I suppose so; and what about the cow? [Laughter.]

I can answer that myself, because the next statement is:

All hay must be hauled from the farm to the dairy by union teamsters.

Undoubtedly these demands will be backed by the C. I. O. organizations and, if the N. L. R. B. follows its usual course, woe unto all who refuse to meet those demands.

What will the farmers and the small townspeople say and do when confronted with that sort of a situation? Answer the question for yourself.

The townspeople cannot buy a chicken or a turkey or a piece of mutton or of veal through his local shop, unless the feed which produced it has been hauled by a union teamster. Give it another thought.

N. L. R. B. RULINGS ACCEPTED AS CHALLENGE TO BATTLE IN RHODE ISLAND

From California go back to Rhode Island, where Local 16, Associated Workers of Printing and Finishing and Allied Industries at Westerly represents 502 workers out of a total of 753; where the local has a bargaining contract with the Bradford Dyeing Association.



Nevertheless, N. L. R. B., holding that the Associated Workers is a company union, has ordered the employer to recognize the C. I. O. What do you suppose is in the minds of the 502 who are ordered by the Board to submit to the 251? And how long do you think orders of this kind can be enforced?

Note the statement of the local union's committee:

The employees are satisfied with the representatives whom they have chosen, and they want no dictation from the C. I. O. They will not have C. I. O. forced on them.

Now, get this statement, and about its sincerity harbor no delusions. Let me quote:

"If the decision of the Labor Board is put into force, strife will surely follow," predicted the executive committee of the local union.

#### FORD ORGANIZATION PROTECTING C. I. O. AGITATORS

Drop over into Michigan where the N. L. R. B. has ordered the Ford Co., employing at Dearborn some 80,000 workers, to take back 29 members; where the C. I. O., among these thousands of employees, has but a handful of members.

Picture the situation for yourselves. Here are thousands of men employed at Dearborn. Many of them have worked there for years. They have never been forced to join any union. They have never been required to pay initiation fees, membership fees, special assessments, or dues of any kind to any outside organizer.

In comes the C. I. O., and they are informed that they must become members of that organization and must meet its demands for fees and dues. They are satisfied with their jobs; they know of no reason why someone from outside the State should fix for them the wages which they should receive, the hours which they should work, or the privileges which they should enjoy. But because of this handful, this comparatively few in number, who demand that the bargaining power for all shall be lodged and vested in the U. A. W. A., there is strife, and there is violence.

On their way from the plant, as they leave the gates, pamphlets which they do not want are forced upon them; attempts are made to block their progress and to compel them to accept literature for which they have no desire. If this continues from day to day, what will be the temper of the workers? What will be the state of mind of these men, who, knowing the loss of work which took place when there were strikes at other places, can see the same thing descending upon them, not because they are asking for it, but because it is forced upon them?

The N. L. R. B. can order the Ford Motor Co. to take back the 29 workers who were discharged. The Ford Co. welcomes them back. How will the other workers receive them?

What do you suppose would have happened to Frankenstein, to Reuther, and to the rest of those who went out on May 26, and still later on another day, to force their attentions and their propaganda upon the Ford workers, had not the Ford organization made every effort to restrain its employees from acts of violence?

#### CONGRESS MAY BE DISSOLVED

What would you, sitting here in the House, do, should an organization from one of the departments come in and attempt to tell you the hours you should work, the salary or the allowance which you would receive? You would throw them out. Perhaps you should today; perhaps tomorrow; it may be possible next year; but, if you let this thing run on, by 1941 someone will send you a proclamation dissolving the Congress and tell you to go home and, if you have permitted the executive branch to steal your power, to usurp your functions, to make Congress the laughing stock of the country, it will deserve no better fate than permanent dissolution.

#### CONGRESSMEN SHOULD FIGHT FOR THEIR PAY CHECKS

For the sake of the father who conceived you, the mother who bore you, if you will not fight for the liberties of the people of your district, at least stand up and do battle for your own job, for your own pay check, for your own honor.

#### DEMOCRATS WILL BE LIQUIDATED

It was well enough in the early days of the New Deal to see public funds diverted to buy votes to defeat Republican

Congressmen and Republican Governors. But the time has come—it is now here—when Democrats who have not thrown away their judgment, who have not kissed the foot of the great leader, should be aware of the fact that they are next in the line marching toward political execution.

Oh, yes; and the smiling New Dealers who think they are riding high should recall what happened to some of the big boys in Russia.

#### POLITICAL EXECUTION OF OPPONENTS BY NEW DEALERS

You should not forget that the way of a dictator is always the same. First, he "purges" those who oppose him politically, those in the opposite party. Then, he swings to the more independent members of his own party and off come their heads; if in foreign lands, their physical heads; here, their political heads.

And at last, to render himself secure, even the henchmen of the dictator are disposed of, one by one, or changed so rapidly that none can attain prominence or power.

So live on, if you will, in a foolish security, but know that yours heads too, await the ax unless you show some signs of independence, some evidence of listening to the voice of conscience, some desire and determination to perform your duty as Congressmen.

#### CIVIL STRIFE

Members of the N. L. R. B. should remember that while they can make orders, promulgate rulings, those orders are of no value except as they are put into effect. Here the N. L. R. B. will be confronted with a practical difficulty.

It can order a majority to accept the will of a minority. It can decree that honest, straight-thinking, liberty-loving American workers must yield their will and submit to the terms of, and pay tribute to, the Communist organizers of the C. I. O. It may order the motor industry, the steel industry, or any other industry to reinstate these discharged agitators. But to keep those agitators on the pay roll, slowing up production—in some places endangering the lives and the limbs of their fellow workers—will, in the end, bring resentment which will express itself against those who have brought about the trouble, and the result will be civil strife.

From all over this land of ours for months past have come rumblings of trouble, of impending conflict, and unless this Board and the Senate Civil Liberties Committee cease their un-American—their unjust—activities, they will shortly find that the lawlessness, the violence which their actions encourage, which their teachings promulgate, will be met in the same spirit and in the same manner that our ancestors met another liberty-destroying foe at Lexington and Bunker Hill.

#### THE WAGNER ACT MUST BE AMENDED

There is one comparatively simple, practical program which this Congress can adopt, put into effect, and cause to be impartially enforced, which will forthwith, from the day of its enactment, do much to dispel fear, restore confidence, and aid in the return of prosperity.

It is so universally acknowledged to be necessary, its ultimate adoption is so certain, the principles underlying it so just, that the failure of Congress to act is proof of our loss of independence, acknowledgment of our submission to minority dictation, evidence of our indolence—perhaps, more properly speaking, proof of our lack of initiative, of our lack of willingness to do the things we know should be done and sufficient reason for the growing contempt with which many regard us.

I refer to the drastic amendment of the Wagner law in such a manner that the civil liberties of the independent worker and the employer will be safeguarded and protected as zealously and to the same degree that aid is given to the C. I. O. unionist.

There are not 50 Members of the Congress who will not privately admit that this law has stirred up strife and that it must be amended. Yet the leadership of the House has so far denied relief to those, the independent worker and the employer, upon whose efforts the return of prosperity depends.

Mr. PLUMLEY. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. SAUTHOFF].

WHITHER ARE WE DRIFTING?

Mr. SAUTHOFF. Mr. Chairman [reading]—

Taken as further evidence of the increasing Anglo-American bond of friendship, the Navy Department yesterday announced three American light cruisers would represent this country at the formal opening of the new Singapore naval docks February 14.

I am quoting from an article written by Franklyn Waltman in the Washington Post of Friday, January 14. It is a well-written article and goes on to say that these three cruisers left San Diego, Calif., on January 3 to visit Sydney, Australia, during its Sesquicentennial Celebration beginning January 26, after which they will proceed to Singapore.

Singapore, the article continues, is one of the strongest and best fortified ports in the world. It has the largest docks in the world. In the past few years more than \$60,000,000 have been spent on fortification equipment at Singapore. It is most carefully guarded from spies, and aliens have been arrested at different times for being too close to its fortifications, and yet the officers and men of the three American cruisers will be privileged to view a naval base that few naval personnel other than British have seen. In fact the announcement of the visit of our cruisers was such a surprise that naval officials at Singapore commented on the fact that the ceremonies were a "purely empire affair," and that no invitations had been issued to any foreign powers. Then why the visit of our cruisers to Australia and to Singapore, and why the special privileges accorded to us? Perhaps the conference at the White House to which Mr. Waltman refers in his article may be the answer, for it is known that Admiral William D. Leahy, Chief of Naval Operations, conferred with Secretary of State Cordell Hull and Under-Secretary of State Sumner Welles, and that all of them had a session with President Roosevelt. Yesterday's Washington Post had another article on the front page stating that hereafter the United States naval authorities would not furnish any more information as to the naval strength of our country, and periodical reports on ships under construction, as well as ships in active service, would not be published and that the League of Nations would not be furnished with the data that has been sent in the past. However, and this is significant, the Governments of Great Britain and France would still be furnished this information. Why this discrimination in favor of France and Great Britain? Is it a farfetched conjecture to say, in the light of the surrounding circumstances, that we are being jockeyed into a naval alliance with Great Britain in Chinese waters? If so, our people should know it; and, if it is not so, then what are we doing there? To me the only way that it is possible to analyze our present circumstances and come to some satisfactory conclusion as to the meaning of all this, is to review international affairs since the close of the World War.

#### VERSAILLES TREATY

Under the treaties resulting from the World War, Japan had no complaint for she shared in the despoiling of Germany. Italy felt herself aggrieved because a large section of Italian opinion was convinced that Italy had not been given a fair share of the spoils of war, and Mussolini came to power by promising to redress the alleged injustice. Germany was deprived of all of her colonies and, in addition, large sections of her continental territory. She also was made to surrender railroad rolling stock, sheep, cattle, horses, and to make certain annual payments. The infant German Republic, trying to get on its feet, handicapped and harassed by these exactions, struggled desperately under the leadership of a man nearly 80 years of age, but in the end succumbed to the promises of Adolf Hitler. Hitler's ascendancy to power in Germany is directly due to the failure of the so-called democracies to stand by this infant German Republic and put it on its feet, and so as an outgrowth of the treaties of the World War we find an unholy alliance consisting of Germany, Italy, and Japan, all eager to seize additional territory with saber rattlings and tom tom beatings, bullying their way into a place in the sun.

Their territorial threat is directed largely against England, France, and Russia, and France and England are once more maneuvering with every possible diplomatic trick and threat to draw the United States into the picture. Once more we hear the cry—the United States must join with France and Great Britain for the preservation of democracy. Once more we hear the cry—the United States must maintain the freedom of the seas. Have we forgotten that those were the identical arguments that were made in 1915, 1916, and 1917 to draw us into the World War?

In appraising our situation and that of the other nations of the earth, I can find but one experience which may serve as a parallel and a guide to us, and that is our experience in the World War. It may be remembered by many of you present that our President and our public men stated again and again that our entrance into the World War was not for territorial aggrandizement, nor did we covet the lands of anyone on earth. That was true. We kept the faith and when the World War was over we asked for nothing whatever except for the privilege of establishing a naval base on the island of Yap, an insignificant, unimportant island lying midway between the Hawaiian Islands and the Philippine Islands. We wanted that naval base to protect our position in the Philippines. Japan promptly objected and neither Great Britain nor France would back us up in our request, and as a result that one, small, insignificant Island of Yap was denied us. That was the first of a series of disappointments which our country experienced at the hands of Great Britain and France. How can we trust them? A review of the record shows them to have been guilty of treachery and deceit not once, but many times, and if we are to be guided in the future by the lessons of the past, then there is no reason on earth why we should continue to trust them.

May I remind the Members of this House that while the great cry was being raised in this land by means of British propaganda which Lloyd George says was the best \$100,000,000 that Great Britain invested in the war, and while our movies, our pulpits, and our public press were filled with the slogan, "Make the world safe for democracy," secret agreements had already been arrived at among the allied nations for a division of the spoils when the war should be victoriously concluded. Did these nations tell us that they had met in secret and agreed upon a division of the swag? Of course not. I am glad that our people were actuated by higher motives without one single solitary thought of gain. I am glad that we went into that fight with our hands clean, our consciences clear, and that we kept that faith until the very end, but I despise and hold in utter contempt these nations adopting a sanctimonious attitude of "holier-than-thou" while at the same time they harbored secret agreements to carry away the booty.

If my memory serves me right, there was also a time just previous to the World War when Great Britain, France, and Germany did some treaty making about Morocco. These three countries entered into a treaty which protected all the interests of the citizens of those nations which signed the treaty. In conformity with these treaty rights, German citizens, as well as French and English citizens, acquired property rights as individual purchasers in the rich mineral fields of Morocco. Then France and England executed a secret treaty by the terms of which German enterprise was to be driven out of Morocco, and France and England were to divide the swag. France and England double-crossed Germany on that occasion, and for her share in it England secured from France a relinquishment to all her claims in Egypt. This double-cross is one of the most outrageous in the diplomatic relations of civilized times, but I am not shedding any tears over the Kaiser as I firmly believe he would have entered into a like agreement had one or the other approached him secretly for that purpose. And how about Morocco? What right did these three pirate nations have to divide the lands and the treasures of a foreign people, against their wishes? This double-cross was one of the causes leading to the World War, and I cite it only to show



that no faith can be placed in the promises of any of these European nations.

I might also remind you Members of Congress of the war debts which are yet left unpaid. These debts amounted to close on \$11,000,000,000 and we cannot even collect the interest, to say nothing of any of the principal. I have always held the belief that the man who would not pay his honest debts could not be trusted. Of course, I know that sometimes even honest men, through accident or sickness or some other cause over which they have no control, are rendered penniless, but in that event the honest man tells his creditors of his misfortune and the law gives him a method for lightening his burden. But these nations that will not even pay us our honest interest, are squandering billions upon billions every year for ever greater armies and navies.

Not long ago the Washington papers made a great fuss of the fact that Great Britain had defaulted on her payment but that she had rendered a token payment, as though that were a very noteworthy and praiseworthy thing to do. Well, if token payments are so highly honored, why would it not be perfectly proper for those of our people having farm loans or H. O. L. C. loans, and who find themselves in financial difficulties, to make token payments to our Government? Such token payments would be an evidence of their sincerity and good will, and would signify that they acknowledged the debt but were unable to pay. If token payments are good enough from foreigners, why should they not be good enough from our own people? The truth of the matter is that, with the exception of little Finland, which has honorably met every single obligation, none of these nations ever expect or intend to pay us a single penny, either on interest or principal. They are welshing on their debts, once more demonstrating that they are the masters of the double cross.

You will recall that about 5 years ago Japan, without justification, invaded Manchuria. Our then Secretary of State, the Honorable Henry Stimson, wrote a vigorous letter of protest to the Japanese Imperial Government. He expected, and I believe he had a right to expect, that England and France would stand back of him in his protest; but the truth of the matter is that England refused to back up our Secretary of State, and as a result we were sharply rebuked by Japan and, in effect, told to mind our own business. England did not want to give offense to Japan because of her vast trade in the Orient, so she double-crossed us, but now she is paying the penalty.

I also recall that there was a naval conference in Washington for the purpose of reaching an international agreement for the reduction of armaments, and that as a result of that conference we scrapped some of our fleet, while England welshed on her agreement on a technicality; and for winning that great naval victory over us Mr. Balfour was made an earl by his Government. Once more we were double-crossed.

May I also remind you that during the past few months there was a conference at Brussels for the purpose of considering what action to take in regard to Japan's invasion of China, and Great Britain magnanimously permitted us to pen the rebuke and, figuratively, slapped us on the back and said, "Go ahead, Uncle Sam, I will hold your coat." Why should we take the lead in view of the fact that Great Britain's interests in China are 600 percent greater than ours? All our investments, all the business that we transact in China for one whole year, is equal to only one day's cost of our forces during the World War.

The total investments in China are divided as follows: Great Britain, 36.7 percent; Japan, 35.1 percent; Russia, 8.4 percent; United States, 6.1 percent; and France, 5.9 percent. (The Japanese and Russian totals were changed by the sale since 1931, by the latter to the former, of the Chinese Eastern Railway in Manchuria. This investment amounted to \$210,500,000.)

The principal foreign direct investments in China, in millions of United States dollars, were divided geographically as follows:

[In millions of United States dollars]

	Great Britain	Japan	Russia	United States of America	Total
Shanghai.....	737.4	215.0	-----	97.5	1,049.9
Manchuria.....	-----	550.2	261.8	-----	812.0
Rest of China (including Hong Kong).....	226.0	108.9	11.4	52.7	399.0
Total.....	963.4	874.1	253.2	150.2	2,260.9

The industrial break-down of the totals are as follows (in millions of United States dollars):

	Great Britain	Japan	Russia	United States of America	Total
Railway and shipping.....	134.9	204.3	210.5	10.8	560.5
Public utilities.....	48.2	15.6	-----	35.2	99.0
Mining.....	19.3	87.5	2.1	.1	109.0
Manufacturing.....	173.4	165.6	12.8	20.5	372.3
Banking.....	115.6	73.8	-----	25.3	214.7
Real estate.....	202.3	73.0	32.5	8.5	316.3
Import-export.....	240.8	183.0	12.2	47.7	483.7
Miscellaneous.....	28.9	71.3	3.1	2.1	105.4
Total.....	963.4	874.1	273.2	150.2	2,260.9

So it is very apparent by reviewing the record—a record which is replete with treachery and deceit, with trickery and intrigue, with hypocrisy and cant—that no confidence or trust can be placed in any of these foreign countries.

#### UNION OF DEMOCRACIES

We are also urged that again we must make the world safe for democracy, just as we were urged to do so in 1917. Again must the democratic nations join hand in hand to preserve freedom and liberty throughout the earth. Well, let us examine that argument and see what it amounts to.

What is a democracy? The dictionary tells us that a democracy is government directly by the people collectively. Rousseau wrote in his Social Compact:

All men are created free and equal and are endowed with liberties which they surrender only to their own advantage.

Thomas Jefferson copied that thought and embodied it in our Declaration of Independence in the words:

We hold these truths to be self-evident, that all men are created free and equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness.

My conception of a democracy coincides with the above; it cannot include countries that hold people against their wishes or countries that subjected others by force. Therefore, I must regard such countries as the Scandinavian countries, Holland, and Switzerland as the democratic countries. I cannot include Great Britain, France, and Russia because they do not meet the test. True democracy must rest on the consent of the governed, and I have not forgotten the ruthless invasion of the Transvaal Republic by the British, nor the Moroccan spoliation by the French. Let not these marauders assume a holier-than-thou attitude toward Japan and Italy, for by their example they taught Italy and Japan to do what they did to Ethiopia and Manchuria and China. Let him who seeks equity do equity unto others. Let him who seeks justice seek justice with clean hands. I am suspicious of the sincerity of conversion of those who seek it only when they are in trouble, but whose hands drip with the blood of their victims.

#### WHAT DOES A NAVAL ALLIANCE MEAN?

What would be our obligation in case of a naval alliance with Great Britain? What burdens would it place upon us and what could we hope for and expect in return? These questions naturally come to our minds in a consideration of this subject. A naval alliance with Great Britain would necessarily mean the safeguarding of British territory. It would mean that our Navy would have to go to the four corners of the world to help Great Britain hold her vast empire. Most people do not realize the far-flung territories

that Great Britain holds and controls. The following is a list of the present British colonial empire:

East Africa: Kenya; Uganda; Tanganyika (mandated territory); Nyasaland; Northern Rhodesia; Zanzibar; Somaliland.

West Africa: Nigeria, including mandated territory of Cameroons; Gold Coast, including mandated territory of Togoland; Sierra Leone; Gambia; St. Helena and Ascension.

Mediterranean: Gibraltar; Malta; Cyprus; Palestine, including Transjordan (mandated territories).

Middle and Far East: Ceylon; Straits Settlements; Federated Malay States; States of Johore, Kedah, Kelantan, Perlis, Trengganu; State of North Borneo; Brunei; Sarawak; Hong Kong; Mauritius; Seychelles; Aden.

Pacific: Fiji; Gilbert and Ellice Islands Colony; British Solomon Islands Protectorate; Tonga.

West Indies and various: Bahamas; Barbados; Bermuda; British Guiana; British Honduras; Jamaica—Cayman Islands, Turks and Caicos Islands; Leeward Islands—Antigua; Dominica; Montserrat; St. Kitts-Nevis; Virgin Islands; Trinidad and Tobago; Windward Islands—Grenada, St. Lucia, St. Vincent; Falkland Islands and dependencies.

This list does not include Canada, Australia, New Zealand, Union of South Africa, India, and Egypt, all of which are colonies of the British Empire.

To guard these vast possessions in every quarter of the globe would mean a huge navy with ships on every sea. It would mean many times the present number of officers and men. It would mean a doubling or tripling of the present expenses, which already run to over \$600,000,000 a year. And what would the United States receive in return? Nothing. We have no possessions to protect. The Philippine Islands are already acquiring their independence under law. We can build our lines of defense on a triangle running from Alaska to the Hawaiian Islands and then to the Panama Canal. Such a line of defense, we are told on competent authority, would be impregnable. No attack could reach our shores because foreign foes would have to travel 6,000 miles across the Pacific. The disadvantages of such an attempt are apparent. From the air it would be a practical impossibility. The only Representative in Congress who holds the Congressional Medal of Honor for valor in the World War is Mr. Izac. Mr. Izac graduated from the Naval Academy at Annapolis and served as a naval officer in the World War. He therefore knows something about this subject. In the very able speech that he made on January 10 in favor of the Ludlow amendment he pointed out that it would require at least 100 20-knot transports, escorted by a larger fleet than our own, to bring to our shores an invading force of sufficient size to be dangerous. No world power possesses 100 such transports nor anywhere near that number.

Maj. Gen. Johnson Hagood, Chief of Staff, line of communications, A. E. F., late commanding general, Third Army and Eighth Corps Area, has written a book entitled "We Can Defend America." The purpose of General Hagood's book is to show:

First. That America is not seventeenth among the military powers of the earth but first, and that it can be made safe from invasion by any military power or by any combination of powers that could reasonably be brought against it.

Second. That this immunity from invasion can be accomplished within the price range of the taxpayer by an expenditure not greater than the average cost of the Army during the 10 years preceding the depression, which is about one-third of the present cost.

Third. That this can be done without running contrary to the genius or traditions of the American people, without setting up any form of universal training or service, and without doing anything that will arouse the fear or antagonism of our neighbors.

General Hagood says, among other things:

We must of necessity reach a clear decision as to whether our system of national defense is to be organized for the purpose of repelling invasion, or whether we are going to defend ourselves in future by the time-honored practice of hitting the other fellow first.

Considered from a defensive standpoint, America is the strongest military nation on earth—that is, it is the easiest nation to prepare for defensive warfare. It would not take much to make it invulnerable against any nation or any combination of nations that could possibly be brought against it. \* \* \*

What I have said to you today and what these men have said and written are some of the things that I felt ought to have been discussed a week ago when the Ludlow amendment to the Constitution providing for a referendum on war was up for consideration. Why were we prevented from discussing this vital question? Was it because the administration feared that we would point out the weaknesses in our present foreign policy and belittle the efforts of the administration? Was it because some of us were ready and willing to charge that Norman Davis was a diplomatic traveling salesman, carrying messages between London and Washington, bearing promises and understandings which cannot be brought into the light of day? As I have always believed that free and open discussion can only lead to good, and what discussion could be more important to the people of this Nation than the question of war? Then why did it become so important for the President, for the Secretary of State, for the Speaker of the House, and for the Democratic floor leader of the House, to take the floor and plead for the defeat not only of this measure but even its discussion?

#### WHAT IS NEXT?

The question that all of us must face is, What is next? Are we to pursue a policy similar to that of 1915, 1916, and 1917, which slowly but surely dragged us into the World War, or are we to pursue a policy that the treacheries and deceptions, the trickeries and intrigues, the double-dealings and double-crossings of the European nations shall not influence; that our policy is one of peace; that we ask nothing, seek nothing, and want nothing from any foreign country but pleasant and peaceful relations; that we are ready and willing to deal honestly with any and all of them; that we take no part in their conspiracies and conniving; that we will not permit one single boy to be sent abroad to fight someone else's war; that it is our intention and our purpose to keep our boys home and mind our own business. [Applause.]

MR. PLUMLEY. Mr. Chairman, I yield 15 minutes to the gentleman from North Dakota [Mr. BURDICK].

MR. BURDICK. Mr. Chairman, there are a great many people in the Congress and millions outside of Congress who cannot understand why there should just now be another depression. The fact is there should be none and there would be none if those in control of the affairs of this Government either understood the situation or were willing to listen to those who do.

The lesson taught by the action of the Federal Reserve System in 1920 has been entirely forgotten by those who complain now of the depression. On May 18, 1920, was started that force which brought on the so-called Hoover depression of 1929. To say that the depression started in 1929 is to enlarge upon the effect and not the cause. May 18, 1920, is the date of our troubles financially and what happened in 1929 was merely the effect of the depression of 1920 taking effect among the businessmen of the East. By 1922 the farmers of the Nation had already, as a class, found themselves hopelessly involved, and by reason of their decreased purchasing power, business, in turn, felt the shock in 1929.

What actually happened on May 18, 1920, was the raising of the discount rates by the Federal Reserve Board here in Washington; that called for a withdrawal of credit and when credit was contracted, business slowed down and finally stopped. Those who were working found no work to do. Country banks called for payment of their paper; farmers were forced to sell and when they began this wholesale liquidation at any cost, farm prices tumbled and land values took the most devastating tumble in the history of the Nation. The farmers lost over \$48,000,000,000 in the shrinkage of land values alone and that they have never recovered, and never will now that interest has gotten in its work during the years of the first depression. Especially is it true today; they have no hope of paying their debts



since the action of this same banking system has brought on another depression, which if not stopped now, threatens to be as ruthless on property and labor values as the one started in 1920.

Let us examine the facts. Was there any reason why liquidation should have been called for in 1920? We were at peace with the world. Farmers had responded to the calls of the Government to expand their business during the war. They were told that bread, and not guns, would win the war, and that was about the only truthful thing told them to encourage them to go deeper in debt to "win the war." The farmers expanded their business; bought more land and more equipment actually at the invitation of the same banking system that later was to forget the favor and bankrupt the producers of food.

Under all rules of fair play, justice, and equity, these farmers should have been given an opportunity in peacetimes to repay their debts under a plan of finance that would not have disturbed the usual selling operations. No such orgy of selling should have been demanded or even permitted. Under these facts, and they are the facts, a forced liquidation was not justified, and it was a highway robbery to inaugurate it. Everyone in the Nation now knows the trail of disaster and ruin that followed in the wake of the action of the Federal Reserve System.

Since that day the Federal Reserve System has not been improved in a way that makes it more responsive to the demands of the people, but, on the contrary, it has been strengthened to assist the private banking fraternity. The Government has no interest now in the System. The Government owns no stock in the institution. It is a privately owned banking institution, and the only one in the Union to which the Government of the United States furnishes free office rent and postage stamps.

No one can read this order raising the reserve requirements in light of what has happened since without coming to the unanswerable conclusion that the withdrawal of credit by such unreasonable reserves, had the effect of stopping business activities. It must necessarily result in throwing millions out of work, for, without finance, no business can keep going.

We have permitted our money system to get in such shape that the money of the Nation is not cash; it is mostly credit money or bank deposits. With a circulation of something like \$19,000,000,000, only \$6,561,321,333 was actual money, and the \$12,500,000,000 was bank deposits. Another significant fact is that out of the \$6,561,321,333 in circulation, this money was largely issued by private banking interests as shown by the table below.

Federal Reserve notes.....	\$4, 231, 863, 467
Federal Reserve Bank notes.....	33, 840, 470
National Bank notes.....	243, 470, 261
Total private issue.....	4, 509, 174, 198

It will thus be seen that two-thirds of the actual money in circulation was money circulated by private issue, and only one-third, or \$2,052,147,072 was put into circulation by the United States Government.

Entirely forgetting what resulted from the curtailment of credit in 1920, the same system, for no reason whatever, brought on this present depression. I charge them with it, and now I propose to prove it. The charge is that the Federal Reserve System inaugurated financial forces months ago that have resulted in the present financial depression.

I present, first, the orders made by the Board of Governors of the Federal Reserve System on August 15, 1936:

Pursuant to the provisions of section 19 of the Federal Reserve Act and section 2 (a) of its regulation D, the Board of Governors of the Federal Reserve System hereby increases by 50 percent the percentages of time deposits and net demand deposits set forth in paragraphs (a), (b), and (c) of section 19 of the Federal Reserve Act and section 2 (a) of regulation D which each member bank is required to maintain on deposit with the Federal Reserve bank of its district.

This was followed by the following regulation dated January 30, 1937, which reads:

Effective at the opening of business on March 1, 1937, the requirements as to reserves to be maintained by each member bank

will be 75 percent above the requirements prescribed by section 19 of the Federal Reserve Act and, effective at the opening of business on May 1, 1937, the requirements as to reserves to be maintained by each member bank will be 100 percent above the requirements prescribed by section 19 of the Federal Reserve Act.

While the Board of Governors of the Federal Reserve System are appointed by the President, yet, after appointment, the Board is as free to exercise its functions as the Supreme Court of the United States. In all details the System is a private banking institution operating for its own profit with the free use of Government currency and credit. The entire financial structure of the country is in the control of this System and Congress itself has unconstitutionally delegated to them this power. Thus, the people of the United States are financially at the mercy of this unconstitutional organization.

Read and remember the two orders cited above. Those orders were:

First. Made by the Board of Governors.

Second. Those orders curtailed credit by the demanding of higher reserves.

Third. Demanding this increase of reserves limited the credit money available for business.

Fourth. Failure of credit money stopped business.

Fifth. When business stopped, those employed found themselves in the ranks of the unemployed.

Those orders and those orders alone precipitated an unnecessary, and what may prove to be a devastating depression. We can remain in session and pass farm bill after farm bill, labor bill after labor bill, yet the people will remain depressed and unemployment will continue until there is some medium of exchange forthcoming with which to do the Nation's business. When two-thirds of our money is issued at the demand of this System, and the System collects interest on its securities offered for collateral, and also on the money it received free from the Government, and can loan this money out on credit time after time until \$1 will draw as much interest as \$25 we can see why in this country we cannot produce enough net to pay the annual interest charge.

Until we abolish this Federal Reserve System and use the Nation's money and credit for all the people, stripped of this interest charge, or private loot, our depression will continue. The immediate thing to do if we really want to stop this depression is to vacate the power which this Congress has unconstitutionally granted this System, and take the private control of the money of the Nation away from them. Why should 130,000,000 people have to dance to the tune of this financial oligarchy? Why should the people suffer for a medium of exchange and millions go hungry and in rags?

We can build houses under a Federal housing plan until doomsday, but if we deny the people a just medium of exchange, the result will finally be that the Government will take these same new houses away from the owners. We would be acting more in accord with common sense if we righted financial conditions so that those who now live in houses will not be foreclosed and dispossessed. We do the contrary; we let the foreclosures proceed and the ejectments multiply and respond by building more houses under a financial system that in its own makeup must necessarily take all in the end. We are temporizing with a question that is vital to the existence of this democracy. The longer we delay the less able we shall be to make the correction. Do we wish to drive the people of this country to acts of desperation? Do we mean to sit here protecting a financial octopus that eats all our annual earnings in interests? We should meet this responsibility now and vacate the orders of the Board of Governors of the Federal Reserve System—do it before Saturday of this week, and after having done that, wind up the affairs of this banking system for private profits and substitute in the place of it a bank of the United States to be run for the benefit of all the people. Issue what currency is necessary for the business demands of the Nation; call in the billions of outstanding bonds, pay them in currency, and stop this private-interest loot that will do more

to destroy this great democracy than all the nations on earth combined can do.

We can appropriate billions for the Army and Navy, and burden the people with more debt and interest in order to be ready to defend ourselves. Let me here announce that this country will never be destroyed by any force from without, but there is grave danger that unless we act now in freeing the American people from the clutches of this interest giant that it will be destroyed from within.

Instead of building more useless battleships, we can make this Government responsive to the welfare of all the people and establish in the heart of all the will to defend this country. Those who are hungry, ragged, and without homes would have no zeal in their hearts to defend a Government that is responsible for their condition; give the people a chance, give them an opportunity to live in a home of their own and possess it to defend and this country can face the world. Yes; but the war-minded people say we are not prepared, the enemy might land in this country. What of it? Let them land. England landed twice and both times was glad to get out. We were then fighting for our homes and we said let them come. Give us all homes in this country today and I say again let the enemy land. We will land on them about as soon as they land here.

The real defense of America we do not encourage, but we make an exhibition of our patriotism in idle glamour and show. [Applause.]

Mr. UMSTEAD. Mr. Chairman, I yield 10 minutes to the gentleman from Rhode Island [Mr. FORAND].

Mr. FORAND. Mr. Chairman, at the opening of the debate on the naval appropriations bill this afternoon my good friend, the distinguished chairman of the committee, made the statement that there were several Members here who seemed to be a little ill at ease, or who seemed to feel embarrassed because of the Navy Department's plan to reopen the torpedo station at Alexandria. I confess, Mr. Chairman, that I am one of those who feel embarrassed, and I feel a little scared because I see in that action a plan to siphon away part of the work from a torpedo station that exists in my district and which has been functioning since 1869.

The chairman told us, and also the Navy Department told us, that the opening and operation of the plant at Alexandria will in no way affect Newport. We are told that Newport will continue to be the center of torpedo research, design, and production. The committee was told by Admiral Furlong, Chief of the Bureau of Ordnance, as appears on page 350 of the hearings, that Alexandria is being reopened to meet this temporary demand for torpedoes, leaving the inference that when the temporary demand has been satisfied we will go back to normal, closing Alexandria and leaving Newport the center of torpedo research, design, and production. A little further in the hearings, however, in response to a question put to Admiral Furlong by Chairman UMSTEAD, the admiral replied, and I quote now from his testimony as appears on page 351 of the hearings:

With Newport and Alexandria both working to capacity and not another destroyer or submarine laid down after 1939, our present requirements for new vessels will not be met until 1944. At that time Newport would go back to its normal employment of 1,000 men in 1 day's shift, as existed between 1924 and 1933; and Alexandria would drop from 1,000 men to 600 men.

This indicates that Alexandria is to be opened and continue open and functioning for the Lord knows how long.

Bear in mind, if you please, that Alexandria today is closed. It is planned to hire and employ 1,000 men. When the demand decreases it is proposed to curtail production by reducing the force from 1,000 to 600 men; in other words, a reduction of 40 percent will be made in the Alexandria force; but it will continue with an increase over the present time of at least 600 percent.

Newport today is operating 24 hours a day, three shifts, and employs 3,375 men. It is proposed to curtail production there when the demand diminishes to the extent of one shift, eliminating 66 percent there. If you want to figure it on the basis of men employed, it is proposed to cut from

3,375 men down to 1,000 men; in other words, where Alexandria will gain 600 percent in employment, Newport will be cut 70 percent.

It has also been said that the question of cost was involved, and I have gone into that to a considerable extent. This bill carries an appropriation of slightly more than \$1,532,000 for the reopening of Alexandria as the initial appropriation; that is, this appropriation bill for the year ending June 30, 1939; but tucked away in the hearings is the statement by Admiral Furlong—and it is in the committee's report also—that next year the Department will seek an appropriation of \$1,229,000, or a grand total for Alexandria of \$2,761,153.

The Navy Department needs torpedoes. I am, however, one of those men who believes in a strong national defense; I am one of those who is willing to spend our last dollar if necessary to increase our national defense; but I am also one of those who believes in economy and in good return for every dollar invested.

I maintain if the Navy Department is sincere, if the Navy Department actually needs torpedoes, as I believe it does, it would have been better policy back in 1934 when there was knowledge in the Department that additional torpedoes would be needed, to have started then to erect new buildings and install new machinery at Newport. For a total cost of \$2,000,000 new buildings and machinery could have been installed there and while the Department tells us it is going to spend a million dollars for new machinery at Alexandria which would increase the production of torpedoes 40 percent, it tells us that by installing \$500,000 worth of machinery at Newport it would only increase production 10 percent. I cannot make those two figures tally at all. Forty-percent increase in production for a million dollars and only 10-percent increase in production for \$500,000 does not make sense.

Moreover, Newport has the men who have practically been brought up with the industry, and whether you know it or not the manufacture of torpedoes requires the highest skilled mechanics obtainable. Precision is the watchword. Precision is the guiding point. If you were to organize a new force at Alexandria as will be necessary under the provisions of this bill, it will mean additional overhead by way of increased personnel, light, heat, and power. This additional overhead could be eliminated if the work were done at Newport because we already have there a very large industry. We have there the proper type of men and a large enough number of them that if an additional thousand men were placed in Newport it would mean only one new man for probably every three or four men there. It would result in closer supervision and eliminate waste, because there would not be so many pieces spoiled in the manufacturing process.

Mr. Chairman, I want to refer to another item, and this would almost offset the difference in cost if the Navy Department is able to prove there is any difference in cost. I refer to the testing of torpedoes. We have a test range within 3 miles of the torpedo station at Newport, while at Alexandria it will be necessary to take the torpedoes down the bay 60 miles in order to test them. If you have ever been down the Potomac River, you know it is a narrow, winding channel. It is impossible to test torpedoes unless you go down past the mouth of the river. Figure out for yourselves the difference between 3 miles and 60 miles, a difference of 57 miles so far as cost is concerned. This is bound to cost additional money.

Another point to bear in mind is the fact that the mechanics at Newport receive slightly more than \$1.03 an hour while at Alexandria the Department will have to pay in excess of \$1.05 an hour. You may say 2 cents and a fraction is a small difference, but multiply that by a thousand men working 8 hours a day and you would have nearly \$200 a day added on to the expense for the manufacture of torpedoes at that station.

Another argument the Navy Department has advanced on this proposition is the fact that they do not like to have all of their eggs in one basket. In other words, they do not like to concentrate their activities.

[Here the gavel fell.]



Mr. UMSTEAD. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. FORAND. Mr. Chairman, they talk about concentration. I want to talk about the concentration which exists on the Potomac River at the present time. You have here a series of activities that I think are just as great as at Newport, if not greater. You have the Arlington time signal or radio signal station. You have the naval air base, the Army air field, as well as the gun factory here in Washington. Now you are going to add to that a torpedo station.

I call your attention also to the fact that the enemy came to Washington at one time by way of the Potomac River, and they may do it again. We maintain that where Goat Island is located near Newport, in Narragansett Bay, we have better defenses and could take care of the enemy much easier than down here. For this reason I say the argument relative to concentration does not hold.

Moreover, if they really want to keep the stations apart, I say it is wrong to open a station within 450 miles of the Newport station. If they absolutely need another station it ought to be located on the west coast, and not locate another station on the Atlantic seaboard.

Mr. UMSTEAD. Mr. Chairman, I yield 7 minutes to the gentleman from Massachusetts [Mr. CASEY].

Mr. CASEY of Massachusetts. Mr. Chairman, the question of opening a torpedo station at Alexandria has been a particularly difficult one for me. The State of Massachusetts, of course, borders Rhode Island, and from the State of Massachusetts workers go daily to the torpedo station at Newport. So that from a selfish standpoint I am most interested in Newport and in seeing to it that Newport does not suffer any loss by reason of the opening of the station at Alexandria. The gentleman from Rhode Island [Mr. FORAND] has worked hard and indefatigably in behalf of the station at Newport. I cannot commend him too highly for his efforts. He has argued so well the cause at Newport that the committee saw fit, as a result of his argument, to make an allowance of \$200,000 for heavy equipment and tools at Newport in addition to the \$100,000 which had been provided by the bill prior to this time. To my mind that is a very sound answer to the fear expressed by the gentleman from Rhode Island that the opening of a station at Alexandria would siphon away work from Newport. If I thought that Newport would suffer in any way, I would not vote in favor of opening a new station at Alexandria.

My concern with the opening of a station at Alexandria has been to a large extent influenced by my personal interest in Newport, but I have been assured by the highest sources that the opening of a station at Alexandria will not affect the work at Newport in any way, shape, or manner.

Now, let us look at the situation. At the end of the World War Alexandria and Newport were both manufacturing torpedoes. Alexandria was closed down and Newport was allowed to continue, which shows, to my mind, that the naval authorities believed the best place in the country to manufacture torpedoes was at Newport.

Today Newport is the only place in the country where torpedoes are being manufactured. There is some logic to the argument you should not have all your eggs in one basket. I now address myself to torpedoes, and torpedoes alone. There is a possibility that in the event of war, or even without war, if we had merely the one station at Newport producing torpedoes, we might have the station destroyed or seriously crippled, not only by some outward force, such as a nation attacking from the ocean, but also by reason of sabotage. This fear would be cut in half if we had two places producing torpedoes.

I understand that Alexandria will be merely a place to provide additional torpedoes during the present dire need for them. Newport is operating 24 hours a day. The Navy Department states we do not have enough torpedoes and are not getting enough from Newport at the present output. It is estimated that even with Alexandria producing and Newport working three shifts a day we will not have enough torpedoes to meet the normal demand until 1944. There-

fore, Newport has nothing to fear from the standpoint of going at full capacity until at least 1944.

You all know, and I do not believe it is divulging a secret to say, that the President is going to ask this Congress for a larger Navy, for additional ships. If this is so, we will need additional torpedoes. Bear in mind the demand for torpedoes under the Vinson-Trammell Act, without additional supplies for any new ships, will keep Newport going at full capacity until 1944. When the President asks for an addition to the Navy, we will, of course, have a necessity for a continued increase in the production of torpedoes. So in the normal course of events there need be no fear at Newport with respect to any siphoning away of production of torpedoes for a great many years, even after 1944.

Look at this matter from the standpoint of national defense, which transcends any sectional interest I might have. The President states there is an immediate emergency which demands more torpedoes than Newport can produce at the present time. This is of the utmost importance, and is the paramount reason for my being in favor of opening Alexandria. I may say, however, there has been expressed to me from the highest source, and from members of my committee, a promise that Newport will not be permitted to suffer by reason of opening Alexandria. If Newport is reduced to a personnel of a thousand in normal times and Alexandria to 600, we would have the same situation we had here at the close of the World War, when Alexandria was closed down. I do not believe this situation will ever come to pass, because if the situation should ever confront us where we have 1,000 men at Newport and 600 men at Alexandria, the committee probably would say it is not the right kind of economy to keep a factory going in Alexandria employing 600 men, when such a factory cannot produce more than a fraction of a torpedo a day. The committee would act as it did after the World War and make Newport the sole producer of torpedoes, because Newport, from the standpoint of overhead and experience, would be the logical place to provide the normal demand for torpedoes. I am satisfied there would be a repetition of the history of torpedo production after the World War, and Newport would not suffer in any shape or manner by the opening of Alexandria.

Mr. UMSTEAD. Mr. Chairman, will the gentleman yield?  
Mr. CASEY of Massachusetts. I yield to the gentleman from North Carolina.

Mr. UMSTEAD. The gentleman was concerned at the time this matter was under consideration by the subcommittee with reference to the effect of the opening of Alexandria on the torpedo situation at Newport.

Mr. CASEY of Massachusetts. I was greatly concerned.  
Mr. UMSTEAD. The attitude of the subcommittee in regard to the torpedo situation at Newport was evidenced by including in this bill a provision to apply \$200,000 during 1939 for replacement of machinery and tools at the Newport station, in addition to the sum of \$100,000 appearing under another appropriation item in the bill for small tools at the Newport station.

Mr. CASEY of Massachusetts. The gentleman is correct. This addition of \$200,000 is concrete evidence of the interest of the Government in keeping Newport going.

[Here the gavel fell.]

Mr. UMSTEAD. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS. Mr. Chairman, in the first place, I should like to express my own deep appreciation of the clear and able manner in which the chairman of the subcommittee [Mr. UMSTEAD] explained the bill to us earlier in the afternoon.

FOR NATIONAL DEFENSE—A NECESSARY SACRIFICE OF RESOURCES  
AND MONEY

I should like to speak for just a couple of minutes about the bill which is before us. It is never easy for a thoughtful person to vote for the appropriation of large sums of money for implements of destruction. In the kind of a world in which we find ourselves living today, however, one is driven to recognize the absolute necessity of an adequate

provision for national defense. It is my earnest hope that we in America, because we have a better opportunity to do it, will keep our feet on the ground about this matter, and not go beyond the real needs of national defense. I wish we had dependable information as to what those needs are.

I believe, further, we need to recognize and keep at the forefront of our minds the fact that the spending of money for national defense purposes and for armament is a necessary national sacrifice for the sake of this national defense, and not a means of solving the problem of unemployment. Expense for armament is dead expense. Such employment as it creates is of the most transitory kind. Indeed, one is bound to wonder as he looks about the world today just about how far the expenditures for armament in some nations of the world can be continued without causing serious consequences to civilization as we know it today. My own deep conviction is we must look for a solution of this problem to the peoples within the other nations of the world. We cannot ultimately expect to destroy forms of government which we do not like or military dictatorships of one kind or another by force of arms, but we can expect such institutions to crumble by the weight of their own inadequacy to meet the needs of their peoples, if we can demonstrate in this Nation that democracy is a dynamic force capable of solving problems and offering to its people not only freedom, but likewise a basic, lasting security such as no other form of government can give.

DEMOCRACY CAN ONLY TRIUMPH BY ITS OWN SUCCESS IN SOLVING ECONOMIC PROBLEMS

It seems to me to be upon our success in this effort that the future of democracy must ultimately depend. I say all these things with profound consciousness that we find ourselves in a position today where it is necessary that we must maintain our national defense as a necessary sacrifice of money and natural resources on the part of the people of this country to the existence in the world of certain deplorable conditions.

Mr. SHANLEY. Mr. Chairman, will the gentleman yield there?

Mr. VOORHIS. Yes.

Mr. SHANLEY. My thought is that the gentleman believes that this value of democracy will be suggested to other nations by our example rather than indicated to them by an appeal to them through their rulers.

Mr. VOORHIS. I think it is almost beyond the realm of possibility to expect the rulers of some nations of the world today to be taught any lessons in democracy or to teach them directly to their peoples.

Mr. SHANLEY. But we have in the past attempted to do that.

Mr. VOORHIS. Yes.

Mr. SHANLEY. I think that is one of the evils of the World War.

Mr. VOORHIS. I agree with the gentleman and I believe, furthermore, America should be extremely careful not to attempt to take the position that we can change forms of government within other nations or that we should try to do so.

Mr. SHANLEY. I agree with the gentleman there.

Mr. VOORHIS. Except by the power of example as it touches the peoples of other countries.

UNEMPLOYMENT

In the balance of the time allotted to me, it is my desire to discuss certain things in connection with the problem of unemployment which seems to me to be central with regard to the things I have been saying about democracy. The future of democracy depends, as I see it, on how well we deal with the problem of unemployment.

It is my earnest conviction, much as I hate to say it, that unemployment under present-day conditions is a chronic situation. I believe it is one of the most destructive experiences that people can pass through, and the things it does to people are not their fault but the fault of economic maladjustment, which, in large measure, it is our primary job to correct.

A BALANCE BETWEEN PRODUCTION, BUYING POWER, AND INVESTMENT

One method of attempting to meet the problem of unemployment was employed by our Government beginning with the coming into power of President Roosevelt in 1933. In essence, this method was composed of two parts: The first, the creation of new purchasing power and its distribution among the poorest people of this Nation by various methods, such as loans and grants to distressed farmers, payment of wages to the unemployed, and so on; and in the second place, a deliberate reduction of rates of interest by the extension of cheap credit through Government lending. Both of these efforts rested upon the foundation of the purchase of private credit by the Government through the sale of bonds.

The mayor of New York is quoted in the newspapers this morning as having said that balancing the Budget does not bring recovery, but that recovery will bring a balanced Budget. I believe this to be substantially and fundamentally true.

WHY A LOW INTEREST RATE

John Maynard Keynes, perhaps the foremost British economist today, has explained the matter of a low rate of interest by pointing out that employment today depends upon two factors: In the first place, the consuming power of the people, and, in the second place, investment in new plants and new industries. He holds that the extent of this investment will depend in large measure upon the rate of interest, and that if that rate of interest is too high investors will choose, rather than to make investments in productive enterprises, to buy debts instead, because there is less risk; and that in nations like the United States and Great Britain, for example, where there is such an abundance of capital in existence, unless a low rate of interest is maintained consistently, there will always be a failure of private capital to invest, and you cannot solve this problem of unemployment. What I have to say, therefore, concerns a means of compensating for the failure of our economic system to distribute buying power in decent proportion to production and a means of continuously maintaining a low rate of interest.

I believe the proof of the pudding, after all, is in the eating. I believe we can show that rigid Government retrenchment, an attempt to balance the Budget downward under the Hoover administration, tended to deepen the depression and to make matters worse. On the other hand, the creation and distribution of new buying power almost brought recovery under the Roosevelt administration in 1937 and might, indeed, have done so completely had we not lost our nerve in the spring of last year and failed to carry through with that program until we had increased national wealth production to the point where we would have balanced the Budget upward instead of attempting to balance it at the expense of the poor of the Nation in a way which cut the ground from under the recovery that then existed. [Applause.]

GOVERNMENT POSSESSES A CREDIT BASE OF ITS OWN AND SHOULD NOT BUY PRIVATE CREDIT

May I repeat that such effort as the Government made along these lines was bottomed upon the purchase of private credit by the Government through the sale of bonds? This process is postulated upon the proposition that the reservoir of credit in a nation is wholly a private reservoir of credit, and that a social or governmental reservoir of credit does not exist. It seems to me this is fundamentally a mistaken conception. What I mean is this: Insofar as banks or financial institutions possess actual money or real assets, they have of course a time-credit base. The same can be said of savings accounts entrusted to banks as investments. But we assume that the private banking system has a prerogative to create credit far beyond all assets possessed by that system, and equal to about 5 times its reserves and 95 percent of all the money we use in this Nation consists of bank credit created by the banking system through an expansion on the basis of fractional reserves carried against demand deposits. This is where we get into trouble. At the same time the Government is, by our present methods, assumed to possess no credit reservoir of its own in spite of the fact that it possesses in the neighborhood of \$12,000,000,000 of gold and the



taxing power of the Nation. It is not the lending of money by the banking system that I am objecting to. It is that the bulk of America's medium of exchange comes into existence through the exercise of pure privilege by our banking system—the privilege of literally creating credit by deposit entries—and that Government deliberately refrains from exercising this same privilege, although it has a more stable credit base than the banking system has and could with perfect economic justification either make secured loans or issue money against that base, without the sale of bonds.

[Here the gavel fell.]

Mr. UMSTEAD. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. VOORHIS. The third reason I believe that Government possesses a base for credit is because it represents the people of the Nation and should be charged with protecting their general interest in the net annual increase in our national power to produce wealth which comes about through growth of population, through increased values, through the development of new methods of producing wealth. The whole American people thus increase the volume of their business and the sum total of their wealth, and this in turn necessitates an increased volume of the circulating medium. For without an increased supply of money, prices are certain to fall and deflation to set in due to the very factor of increased productive capacity which ought to result in increased general prosperity.

The monetary factor is by no means the only one. But it is an important one, and the alternative to a controlled increase in the amount of money to correspond to increased productive capacity is to take out of use more and more productive capacity until finally the economic system and the Budget will both be balanced at zero.

The problem is to find out how to do this without continuously running on an unbalanced Budget. I believe the key to accomplishing this lies principally in our understanding fundamentally the nature of money and credit.

#### OUR UNSTABLE AND UNCONTROLLABLE SUPPLY OF MONEY

Now this increase in national productive capacity which we may expect to take place from year to year seems to me to be a social increment and not a private one, so that I believe the Government does now possess a reservoir of credit far greater than any that can be conceived to be possessed by the private banking structure. However, in spite of this fact, we have deliberately refrained from drawing upon that social reservoir of credit, and have instead purchased from the private creators of credit such funds as we believe were necessary to expand purchasing power, and to cause such recovery as we have obtained in this country. Under these circumstances and because we have operated in this manner, as it turns out that we normally depend in America for our supply of money upon two factors, first, the willingness of business under certain circumstances to borrow, and, second, the willingness of banks to lend. That comes about because, as I said before, 95 percent of our money is bank credit, and that only is expanded and put into circulation when deposits are created through making loans. And the only way in which Government has so far undertaken to correct this situation and to make up for the failure of private credit to properly expand has been by itself going into debt to the banks, buying deposits from them with its bonds and then spending these deposits.

There is today no adequate power in America to control the expansion and contraction of bank credit. Our banks are not even all in one system. Some are in the Federal Reserve System and some are outside of the Federal Reserve System.

The gentleman from Texas [Mr. PATMAN] submitted facts and figures the other day to show us the degree of monopoly control existing in the banking system. On account of this factor it turned out that when—twice within 18 months—the Federal Reserve Board raised reserve requirements, in order to tighten its control over our credit structure; it hit the small banks severely, because they did not have sufficient in the way of reserves to meet those requirements, but left

the Board still powerless to deal with some of the large New York City banks which still possess abundant excess reserves. The only way in which a situation of this kind can be cured and in which the Federal Reserve Board or any other body can be given adequate control over this synthetic money of ours (bank credit) would be by empowering the Board to require banks to carry behind their demand deposits—but not behind their savings deposits—dollar for dollar reserves. That is a big question that I cannot go into fully this afternoon, but with such a system in effect we would have an adequate control over the expansion and contraction of credit, which under present circumstances the Federal Reserve Board cannot possibly have.

During the past few months the Board has stated in numerous places that there is plenty of money in the banks to sustain and expand recovery. When they say money they mean of course deposits and reserves.

The fact is the Board is utterly powerless to cause that money in the form of potential bank credit to be actually brought into existence and used. They can bring about a situation where contraction becomes inevitable by raising reserve requirements by the sale of bonds or in other ways, and they can create a situation where expansion is possible. But they have not got the one essential power to make that expansion actually take place, and that one essential power is one that any sovereign nation must exert, and our failure to use which is one of the fundamental reasons we have not been able to balance the Budget. The power I refer to is the power to bring into existence year by year not an uncontrolled amount of money, but the amount of money which corresponds to the net growth in the volume of business and wealth of the Nation; that is, that increment in necessary circulating medium which the social development of a Nation renders necessary to be brought into existence. I would substitute the controlled expansion of money by a governmental monetary authority for the uncontrolled and uncontrollable inflation and deflation of bank credit or check-book money.

#### THE TROUBLE WITH THE BUDGET

In other words, our Budget up to this time has been called upon to perform two functions, not only to pay the current expenses of the Government, but to attempt to make up for the failure of general industry and the business structure of the Nation to distribute sufficient buying power to the people of the Nation to make possible an expanding economy which our system has to be if it is to survive. In the light of these facts, the difficulties about our national debt can readily be understood. For when you must use increase in national debt in order to make possible the purchase of food, clothing, and shelter by 10,000,000 people and the welfare not alone of this group but of all people in the country, indeed you have a difficult time to balance the Budget.

The thing I am talking about is no matter of class legislation. I have tried not to blame any individuals for the situation. But we have had demonstrated over and over again the fact that our Nation—all its businessmen, all its farmers, all its wage earners, all its people of every sort—cannot depend for an orderly stable supply of money, for a dollar of steady value, or for continued expanding prosperity upon the lending of bank credit to borrowers at the top of the economic scale. Those very borrowers, before they borrow, will want to know about the buying power of the people at the bottom of the economic scale—about whether or not they can and will buy goods.

And so, for the sake of general national well-being it is clear, to me at least, that we must have first a monetary authority as an integral part of our governmental machinery; second, a congressional instruction to that monetary authority to establish a fair and just price level—say, that of 1926—and then to maintain it; third, the Government ownership of the 12 Federal Reserve banks; and fourth, the substitution through the dollar-for-dollar reserve system of controlled expansion of money by Government in place of our present unworkable bank-check money system. And in accomplishing this national objective it will be neces-

sary for our monetary authority—the Federal Reserve Board or whatever body it is to be—to bring about the desired stability and controlled expansion by putting money into circulation at the bottom of the economic scale, through payment of old-age pensions or allowances to endowed mothers, for money seeps up easily. I trickles down very inadequately as we have seen to our sorrow.

#### NOT INFLATION

Inflation takes place when the volume of money increases faster than the volume of goods. What I am advocating is the opposite of this. I want to get rid of inflation. I also want to get rid of deflation. I want the volume of money to increase in exact correspondence to the increase in the Nation's business and to the increase in the volume of goods. These are difficult and historic times. Let us have faith in America and her democracy. Let us not rest one hour until we have met this problem. [Applause.]

Mr. UMSTEAD. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SMITH of Virginia, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 8993, and had come to no resolution thereon.

#### EXTENSION OF REMARKS

Mr. BINDERUP asked and was given permission to extend his own remarks in the RECORD.

Mrs. JENCKES of Indiana. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address I made to the National Association of Hothouse Vegetable Growers in New York City.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. CITRON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a letter I received in reference to a resolution I introduced (H. Res. 390) regarding monopolies and price fixing in basic materials necessary for construction of homes and buildings.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. DALY, for 3 additional days, on account of illness.

To Mr. DREWRY (at the request of Mr. BURCH), indefinitely, on account of death in family.

To Mr. McLEAN (at the request of Mr. EATON), for attending inaugural of Governor Moore, of New Jersey.

To Mr. HARTLEY (at the request of Mr. EATON), for today, for attending inaugural of Governor Moore.

To Mr. JARRETT, indefinitely, on account of illness.

To Mr. POWERS (at the request of Mr. EATON), for today, for attending inaugural of Governor Moore.

To Mr. THOMAS of New Jersey (at the request of Mr. EATON), for today, for attending inaugural of Governor Moore.

To Mr. WOLVERTON (at the request of Mr. EATON), for today, for attending inaugural of Governor Moore.

#### SEA WALL, GALVESTON HARBOR, TEX.

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 8524) authorizing the completion of the existing project for the protection of the sea wall at Galveston Harbor, Tex.

The Clerk read the title of the bill.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, can the gentleman from Texas tell us why there is any urgency which requires the consideration of the bill at this time?

Mr. MANSFIELD. Yes. The rivers and harbors bill of 1935 included this item as a Senate amendment. It called for 13 groins to protect the sea wall. The cost was fixed at \$234,000, but owing to changed conditions of labor and ma-

terial in carrying out the work, the money is exhausted and but 10 of the groins have been completed.

Mr. MARTIN of Massachusetts. The work has already been started?

Mr. MANSFIELD. Ten of the thirteen groins will be completed within 2 weeks. They have been at work on it more than a year. The money will be exhausted; it is not sufficient to build the other three groins.

Mr. MARTIN of Massachusetts. And I presume they have the machinery there ready to continue the work.

Mr. MANSFIELD. The machinery is there. If the bill is not passed so that the work can continue the machinery will be removed, and several thousand dollars' additional cost will be incurred.

Mr. MARTIN of Massachusetts. So it will be economy to continue the construction until the work is completed?

Mr. MANSFIELD. It will mean a saving of several thousand dollars to the Government.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of War is hereby authorized and directed to complete the project, adopted in the River and Harbor Act approved August 30, 1935, for the construction of groins to protect the sea wall at Galveston Harbor, Tex., in accordance with the plans submitted in House Document No. 400, Seventy-third Congress.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### BOARD OF VISITORS TO UNITED STATES MILITARY ACADEMY

The SPEAKER. The Chair lays before the House the following appointment to the Board of Visitors to the United States Military Academy:

JANUARY 18, 1938.

HON. WILLIAM B. BANKHEAD,  
Speaker of the House of Representatives,  
Washington, D. C.

MY DEAR MR. SPEAKER: HON. CHARLES I. FADDIS, of Pennsylvania, having this day resigned as a member of the Board of Visitors to the United States Military Academy, whom I appointed on January 15, 1938, pursuant to the act of May 17, 1928 (U. S. C., title 10, sec. 1052a), I have appointed the Honorable MATTHEW J. MERRITT, New York, to fill the vacancy caused by this resignation.

Sincerely yours,

A. J. MAY, Chairman.

#### SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 2550. An act to permit the printing of black-and-white illustrations of United States and foreign postage stamps for philatelic purposes; and

S. 2940. An act to make confidential certain information furnished to the Bureau of Foreign and Domestic Commerce, and for other purposes.

#### ADJOURNMENT

Mr. UMSTEAD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 9 minutes p. m.) the House adjourned until tomorrow, Wednesday, January 19, 1938, at 12 o'clock noon.

#### COMMITTEE HEARINGS

##### COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Wednesday, January 19, 1938. Business to be considered: Continuation of hearings on S. 69—train lengths. Mr. J. A. Farquharson, of the Railroad Trainmen, will be the first witness.

##### COMMITTEE ON RIVERS AND HARBORS

The Committee on Rivers and Harbors will meet Wednesday, January 19, 1938, at 10:30 a. m., to hold hearings on H. R. 8327, a bill to promote interstate and foreign commerce, to improve the navigability of the Lakes-to-the-Gulf waterway, and for other purposes.



## COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold public hearings on H. R. 8532, to amend the Merchant Marine Act of 1936, and for other purposes, Wednesday, January 19, 1938, at 10 a. m.

The Committee on Merchant Marine and Fisheries will hold a public hearing in room 219, House Office Building, February 1, 1938, at 10 o'clock a. m., on H. R. 8344, a bill relating to the salmon fishery of Alaska.

## COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization in room 445, House Office Building, at 10:30 a. m., on Wednesday, January 19, 1938, for the public consideration of H. R. 8562 and H. R. 8569.

## COMMITTEE ON PENSIONS

The Committee on Pensions will hold a hearing at 10:30 a. m., Friday, January 21, 1938, on H. R. 6289, granting a pension to certain soldiers, sailors, and marines for service in the War with Spain, the Philippine Insurrection, and the China Relief Expedition, and H. R. 6498, granting pensions to persons who served under contract with the War Department as acting assistant or contract surgeon between April 21, 1898, and February 2, 1901.

The Committee on Pensions will hold a hearing at 10 a. m., Friday, January 28, 1938, on H. R. 8690, granting a pension to widows and dependent children of World War veterans.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1000. A communication from the President of the United States, transmitting a supplemental estimate of appropriation, amounting to \$300,000, required to enable the Interstate Commerce Commission to carry out the provisions of the Motor Carrier Act during the fiscal year ending June 30, 1938 (H. Doc. No. 481); to the Committee on Appropriations and ordered to be printed.

1001. A letter from the Secretary of War transmitting a letter from the Chief of Engineers, United States Army, dated January 7, 1938, submitting a report, together with accompanying papers and illustrations, on studies and investigations of beach-erosion problems at Willoughby Spit, Va., made by the Beach Erosion Board in cooperation with the city of Norfolk, Va., as authorized by the River and Harbor Act approved July 3, 1930, and the act of Congress approved June 26, 1936 (H. Doc. No. 482); to the Committee on Rivers and Harbors and ordered to be printed, with 11 illustrations.

1002. A letter from the Acting Secretary of Agriculture transmitting, pursuant to a provision included in Public Resolution No. 26, approved April 27, 1937, and Public Resolution No. 55, approved July 17, 1937, both of which provided funds to enable the Department of Agriculture to cooperate with States to control incipient and emergency outbreaks of insects, pests, and plant diseases, a report covering the period from April 27 to December 15, 1937, inclusive, of the activities conducted by the Department of Agriculture with these funds; to the Committee on Agriculture.

1003. A letter from the Acting Secretary of the Interior transmitting the report of the acting superintendent of St. Elizabeths Hospital, dated September 21, 1937, submitting a statement showing in detail the expenditures for maintaining the hospital during the fiscal year ended June 30, 1937; to the Committee on Expenditures in the Executive Departments.

1004. A letter from the president of the Board of Commissioners of the District of Columbia, transmitting a draft of a proposed bill entitled "A bill limiting the duties of the chief clerk and chief inspector of the Health Department of the District of Columbia"; to the Committee on the District of Columbia.

1005. A letter from the president of the Board of Commissioners of the District of Columbia, transmitting a draft of a

proposed bill entitled "A bill to amend the District of Columbia Traffic Act, 1925, as amended by the acts of July 3, 1926, and February 27, 1931"; to the Committee on the District of Columbia.

1006. A letter from the president of the Board of Commissioners of the District of Columbia, transmitting a draft of a proposed bill entitled "A bill to prohibit the admission without charge of nonresident pupils into the public schools of the District of Columbia"; to the Committee on the District of Columbia.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. MANSFIELD: Committee on Rivers and Harbors. H. R. 8524. A bill authorizing the completion of the existing project for the protection of the sea wall at Galveston Harbor, Tex.; without amendment (Rept. No. 1703). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROBINSON of Utah: Committee on Irrigation and Reclamation. H. R. 7764. A bill to authorize the sale of surplus power developed under the Uncompahgre Valley reclamation project, Colorado; with amendment (Rept. No. 1704). Referred to the Committee of the Whole House on the state of the Union.

## CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 8694) for the relief of Mrs. J. H. Greene, Anna Harvey, and Mrs. S. E. Elmore; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 7887) granting a pension to Roxie Francis Coffey and Barbara Coffey, minor children of John Coffey; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SMITH of West Virginia: A bill (H. R. 9014) to authorize the conveyance to the Lane S. Anderson Post, No. 297, Veterans of Foreign Wars of the United States, of the house and site at lock No. 6, Kanawha River, South Charleston, W. Va.; to the Committee on Military Affairs.

By Mr. JOHNSON of Minnesota: A bill (H. R. 9015) to appropriate funds to pay salaries of the personnel of the Railroad Retirement Board up to June 30, 1938; to the Committee on Appropriations.

By Mr. SMITH of Virginia: A bill (H. R. 9016) to establish a commercial airport in the vicinity of the National Capital; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 9017) authorizing the Secretary of War to convey certain properties to the county of Arlington, State of Virginia, in order to connect Lee Boulevard with the Arlington Memorial Bridge, and for other purposes; to the Committee on Military Affairs.

By Mr. LEA: A bill (H. R. 9018) to authorize a preliminary examination and survey of Sonoma Creek, and the watershed thereof, in the State of California, for flood control, for run-off and water-flow retardation, and for soil erosion prevention; to the Committee on Flood Control.

By Mr. DELANEY (by request): A bill (H. R. 9019) to provide for the adjustment of the status of planners and estimators and progressmen of the field service of the Navy Department; to the Committee on the Civil Service.

By Mr. WOLCOTT: A bill (H. R. 9020) to extend the time for completing the construction of a bridge across the St. Clair River at or near Port Huron, Mich.; to the Committee on Interstate and Foreign Commerce.

By Mr. SCOTT: A bill (H. R. 9021) to provide for preliminary examination and survey of an extension of the San

Pedro breakwater with a view to the national defense needs and the protection of navigation; to the Committee on Rivers and Harbors.

By Mr. DUNN: A bill (H. R. 9022) to authorize the Bureau of Investigation to investigate and assist in the prosecution of cases involving the killing or assaulting of officers of the United States Government; to the Committee on the Judiciary.

By Mr. DEMUTH: A bill (H. R. 9023) to amend an act entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes," approved June 22, 1936; to the Committee on Flood Control.

By Mrs. JENCKES of Indiana: A bill (H. R. 9024) to exempt from taxation certain property of the Society of the Cincinnati, a corporation of the District of Columbia; to the Committee on the District of Columbia.

By Mr. DELANEY: A bill (H. R. 9025) to amend the provisions of an act entitled "United States marshals of the Department of Justice, an act of power to appoint additional deputy marshals thereto in place of bailiffs in cities of first class only"; to the Committee on the Judiciary.

By Mr. WITHROW: Joint resolution (H. J. Res. 568) directing the Federal Trade Commission to investigate the policies employed by manufacturers in distributing motor vehicles, and the policies of dealers in selling motor vehicles, at retail, as these policies affect the public interest; to the Committee on Interstate and Foreign Commerce.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND: A bill (H. R. 9026) for the relief of warrant officers of the Army Mine Planter Service; to the Committee on Military Affairs.

By Mr. BOEHNE: A bill (H. R. 9027) granting an increase of pension to Alfred McClellan; to the Committee on Pensions.

By Mr. BOYLAN of New York: A bill (H. R. 9028) for the relief of Thomas J. Lee; to the Committee on Military Affairs.

By Mr. CLAYPOOL: A bill (H. R. 9029) granting an increase of pension to Mary S. Strosnider; to the Committee on Invalid Pensions.

By Mr. CROWTHER: A bill (H. R. 9030) granting a pension to Anthony Tomasello; to the Committee on Pensions.

By Mr. HILL: A bill (H. R. 9031) granting a pension to Mary A. Manning; to the Committee on Pensions.

By Mr. McCORMACK: A bill (H. R. 9032) for the relief of James Francis O'Dea; to the Committee on Naval Affairs.

By Mr. MITCHELL of Tennessee: A bill (H. R. 9033) for the relief of Lewis Hall; to the Committee on Claims.

By Mr. PETERSON of Georgia: A bill (H. R. 9034) for the relief of Katherin Patterson; to the Committee on Claims.

By Mr. ROBSION of Kentucky: A bill (H. R. 9035) for the relief of William F. Catching; to the Committee on Military Affairs.

By Mr. SCHAEFER of Illinois: A bill (H. R. 9036) granting a pension to Mary J. Wooldridge; to the Committee on Invalid Pensions.

By Mr. SHAFER of Michigan: A bill (H. R. 9037) granting a pension to Robert Berg; to the Committee on Pensions.

By Mr. SPARKMAN: A bill (H. R. 9038) for the relief of John O. Brown; to the Committee on Military Affairs.

By Mr. TREADWAY: Resolution (H. Res. 405) granting additional compensation for Leslie M. Rapp; to the Committee on Accounts.

#### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3819. By Mr. COFFEE of Washington: Resolution of Cooks and Waiters Union, No. 61; Laundry Workers, Clean-

ers and Dyers Local, No. 42; Teamsters and Chauffeurs Local, No. 313; Operating Engineers Local Union, No. 606, of Tacoma, Wash.; and the Fruit Cannery Workers Local, No. 20251, of Puyallup and Sumner, Wash., demanding that the United States Government insist on all foreign lumber coming into the United States being plainly marked with the country of origin and that any such lumber not so marked be denied entry; to the Committee on Ways and Means.

3820. Also, resolution of Bakery Salesmen and Drivers Local Union, No. 567; International Union Operating Engineers Local, No. 612; Tacoma Mailers Union, No. 54; Bakers Union, No. 126; Carpet and Linoleum Mechanics Local, No. 138; Painters Local Union, No. 64; all of Tacoma, Wash., demanding that the United States Government insist on all foreign lumber coming into the United States being plainly marked with the country of its origin and that any such lumber not so marked be denied entry; to the Committee on Interstate and Foreign Commerce.

3821. By Mr. COLDEN: Resolution adopted by the Teamsters Joint Council, No. 42, of Los Angeles and vicinity, and endorsed by Meat Cutters' Local, No. 551, of San Pedro, Calif., protesting against antiunion activities and asking that same be investigated; to the Committee on Labor.

3822. Also, resolution adopted by the Teamsters Joint Council, No. 42, of Los Angeles and vicinity, and endorsed by International Union of Engineers, No. 235, of San Pedro, Calif., protesting against antiunion activities and asking that same be investigated; to the Committee on Labor.

3823. Also, resolution adopted by the Council of the City of Los Angeles, Calif., opposing modifications of the present allocations to the Federal highway program; to the Committee on Appropriations.

3824. By Mr. FORD of California: Resolution of the Council of the City of Los Angeles, that so long as the Federal Government continues to levy a gasoline tax, the revenues therefrom should be devoted to the Federal highway-aid program, and that there should be no modification of present allocations, at least until the beginning of a new budget period for the Department of Public Works of the State of California; to the Committee on Ways and Means.

3825. Also, resolution of the Board of Supervisors of Orange County, Calif., opposing the intended transfer of the Panama Pacific and Grace Lines operating fast express passenger ships between New York and California ports from this intercoastal run to South American routes; to the Committee on Interstate and Foreign Commerce.

3826. By Mr. KRAMER: Resolution of the Echo Park of the American Legion, Los Angeles, relative to passage of House Resolution 375, etc.; to the Committee on World War Veterans' Legislation.

3827. Also, resolution of the California Real Estate Association, relative to classifying operating real-estate companies, etc.; to the Committee on Banking and Currency.

3828. Also, resolution of the Council of the City of Los Angeles, relative to Federal highway aid, etc.; to the Committee on Appropriations.

3829. By Mr. LAMNECK: resolution adopted by John C. Getreu, president, Columbus Federation of Labor, urging Congress to encourage private initiative in the construction industry; to establish a sound and stable public fiscal policy; to modify interfering and hampering legislation and executive action which is emanating from various bureaus and boards and curtail the activities of same; to free the construction industry from those hampering and retarding imposed taxes which retard instead of stimulate construction; and to arrest any contemplated tax legislation which would act derogatory to the immediate stimulation of all major construction activities and to immediately examine any existing taxes which hamper the construction industry as a whole, looking in the direction of their modification or repeal; to the Committee on Ways and Means.

3830. By Mr. McCORMACK: Petition of Mrs. Harold W. Sullivan, chairman, committee on legal status of women, Boston League of Women Voters, Boston, Mass., opposing the equal-rights amendment on the ground that the amendment



would not accomplish what is hoped for and would result in legal chaos through its effect upon a large number of State laws and believing that the removal of legal discriminations against women where they still exist can be accomplished better through legislative action in specific subjects by the State or National legislative bodies; to the Committee on the Judiciary.

3831. By Mr. MAGNUSON: Petition of residents of Seattle, Wash., favoring House bill 4; to the Committee on Ways and Means.

3832. By Mr. SADOWSKI: Petition of the Supporting Government Home Borrowers Association, adopted by Renters and Consumers League of Greater Detroit, Mich.; to the Committee on Banking and Currency.

3833. By the SPEAKER: Petition of the United Lumber and Timber Workers, Local No. 316, Flat Creek, Ala., supporting the repeal of the Woodrum amendment now pending before Congress relating to Works Progress Administration funds; to the Committee on Appropriations.

## SENATE

WEDNESDAY, JANUARY 19, 1938

(Legislative day of Wednesday, January 5, 1938)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

### THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, January 18, 1938, was dispensed with, and the Journal was approved.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 8524. An act authorizing the completion of the existing project for the protection of the sea wall at Galveston Harbor, Tex.; and

H. R. 8947. An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1939, and for other purposes.

### ENROLLED BILLS SIGNED

The message also announced that the Speaker of the House had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 2550. An act to permit the printing of black-and-white illustrations of United States and foreign postage stamps for philatelic purposes; and

S. 2940. An act to make confidential certain information furnished to the Bureau of Foreign and Domestic Commerce, and for other purposes.

### CONDITIONS AFFECTING NATIONAL PARK SERVICE, INTERIOR DEPARTMENT

Mr. PITTMAN. Mr. President, there has been an examination going on before the Committee on Public Lands and Surveys with regard to the qualifications of Mr. Ebert K. Burlew, the nominee for First Assistant Secretary of the Interior. In the very nature of things, it is difficult to have a full attendance of the committee at the present time. There are certain matters that I am now placing in the RECORD for the benefit of members of the committee who have not been able to keep up with the hearings by reason of other official duties which they may consider more important. In that investigation there has been an astounding revelation with regard to the laxity and inefficiency, if not criminal carelessness, in the Finance and Auditing Division of the National Park Service of the Department of the Interior.

A few days ago there was a brief statement in the press that one Reno E. Stitely, a pay clerk in the National Park

Service here in Washington, had pleaded guilty to the embezzlement, through forgery and false vouchers, of approximately \$84,000 of relief funds allotted to the Park Service. A few days prior to that time the name of Mr. Burlew had been sent to the Senate as the nominee for the position of First Assistant Secretary of the Interior. That nomination has been referred to the Committee on Public Lands and Surveys of the Senate.

It was so extraordinary that a pay clerk, over a period of 4 years, through false vouchers, the collecting of Government checks, and forging the names of payees who did not exist, could embezzle the large sum of over \$84,000 that it seemed to reflect upon a bureau of the Interior Department.

As a matter of fact, the Secretary of the Department is primarily responsible for the efficiency in each of the bureaus of his Department, and also for the honesty and integrity of the personnel. Therefore, it might not seem to concern the nominee under consideration, Mr. Burlew. However, the testimony before the committee by Secretary Ickes and Mr. Burlew himself discloses the fact that the Secretary did rely on Mr. Burlew, and had a right to rely on him, to keep him advised with regard to the various bureaus of the Department.

That conclusion may not be concurred in by other members of the committee. However, the testimony of Mr. Ickes discloses the fact that not only does he advise with Mr. Burlew, who is his administrative assistant, but permits him to sign most of his letters or all of them, if he so desires, and has had passed by the House a bill, which is pending before the Senate committee, authorizing Mr. Burlew to sign every kind and character of document which the Secretary may be authorized to sign. When I questioned the Secretary with regard to this extraordinary power, he stated that he had absolute confidence in Mr. Burlew.

Mr. Burlew is not only the administrative assistant who carries out the orders of the Secretary and with whom the Secretary advises, but he is the budget officer. He is the personnel officer over whose desk pass all appointments in the Department of the Interior or in the Public Works Administration.

Mr. President, I am not going to debate this question at the present time because the hearings are not completed, but I have in my hand a report made at the order of Secretary Ickes by the investigating officers of his own Department, and submitted to him. Apparently it was made to him somewhere along in July 1937. It has been submitted in evidence under sworn testimony. I merely desire to read a few statements from the report and then I ask that the entire report be printed in the RECORD at the conclusion of my remarks as a part of my remarks.

The VICE PRESIDENT. Without objection, the report will be printed in the RECORD.

(The report appears in the RECORD at the conclusion of Mr. PITTMAN's remarks, p. 747.)

Mr. PITTMAN. This report was made by Mr. R. C. McCarthy and Mr. Cecil G. Miles, special agents for the Department of the Interior. I quote from the report:

This investigation is based on the alleged activities of Reno E. Stitely, chief of the voucher unit, National Park Service, Department of the Interior, in connection with the preparation, falsification, and submission of pay-roll vouchers and the conversion to his own use of United States Government checks issued thereon amounting to \$84,880.03.

This investigation discloses that:

1. Certifying officers approved vouchers signed by persons whose signatures were not known to said certifying officers.

2. Certifying officers were not furnished pay-roll data, such as memorandums of employment or time slips. This information was retained in the office of the approving officer after he had signed voucher.

3. Voucher was presumed to be authentic when it was initialed by Reno E. Stitely.

4. Clerks engaged in the preparation of pay-roll vouchers were authorized to secure checks from the Treasury Department for delivery to persons named therein.

5. No effective reconciliation of E. C. W. funds paid by the War Department for the Department of the Interior could be made from 1933 to July 1936. War Department officials state that their